

## THE TIMES Tomorrow

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## Summit in Mexico for Reagan

A summit meeting between President Reagan and President de la Madrid of Mexico this weekend will focus on the Central American crisis. Mexico may turn out to have more in common with Washington's policies towards the region than previous statements have suggested. **Page 4**

## Kidnap victim tells his story

A wealthy Irish solicitor was recovering at his home after being kidnapped by gunmen and tied to a tree on a desolate military range for 24 hours. He told police he dissuaded the kidnappers from taking his son. **Page 3**

## Taiwan fraud

The gang said to have swindled Taiwanese factories out of £16m worth of goods with worthless cheques is trying to beat a court order preventing the unloading of the imports. **Page 2**

## Sub salvaged

The Soviet Union has secretly salvaged a nuclear-powered submarine which sank in the North Pacific in June, partly to prevent the US from recovering it according to American intelligence. **Page 4**

## Shagari priority

President Shagari of Nigeria, fresh from his landslide victory, said his new administration would give priority to the economy and agriculture. **Page 4**

## BP sale boost

Higher-than-expected half year earnings of £1.33bn from Shell have pushed up oil share prices, smoothing the way for an early sale of British Petroleum shares by the Government. **Page 13**

## Recovery signs

First-half profit figures for two of Britain's big engineering groups reflected signs of recovery. Guest Keen & Nettlefolds increased profits from £3.9m to £5.2m. **Page 13**

## Fewer grouse

The grouse season is expected to have a poor start, because of bird diseases and a wet spring, but it should improve next month. **Page 3**

## Rabies fine

A West German holidaymaker was fined £400 under anti-rabies regulations for bringing a guinea-pig into Britain. **Page 3**

## Baby rescued

A newborn baby boy in a plastic bag was nearly thrown into a rubbish bin at Lake Isle of Wight, but was discovered when he whimpered and is recovering in hospital.

## Gower century

David Gower scored 108 for England yesterday in their first innings of 272 for five on the opening day of the third Test match against New Zealand at Lord's. **Page 18**

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Letters: On "alternative medicine", from Professor P. N. Campbell, and Mr. I. D. Watson; the elderly, from Mr. E. McGraw, and Mr. D. Hobman; and others  
Leading articles: Lebanon; research councils; Nordic Council; Features, pages 6, 7, 8  
How Britain could go hungry; a medieval peasant on the moors; why we must stand by Belize; Opening up Heaven's Gate; a film flop makes a comeback; The drug courier; Friday Page looks at the way cut price drug-enter Britain

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## BL dismisses 13 'infiltrators' at Cowley car plant

By Barrie Clement and Clifford Webb

British Leyland yesterday dismissed 13 alleged political activists said to have lied in job applications in order to infiltrate the shop floor at the company's Cowley assembly plant in Oxfordshire.

The six women and seven men, who plan to appeal today against the decision, are thought by the company to be Trotskyists belonging to the International Marxist Group. It is believed they were informed on by fellow workers on the assembly lines of the new Maestro car, who noticed their unusually good knowledge of union affairs.

The company checked the workers' application forms and found 13 of them contained information regarded as deliberately inaccurate. The 13 were originally suspended under the company's disciplinary procedure.

A further six workers suspected of belonging to the same group are understood still to be working at the plant. Their application forms were in order and the company is proceeding on the basis that only those who gave false information are guilty of breaching company rules.

One more alleged activist who is off work because of illness is to face disciplinary procedure. One of the dismissed staff is a young woman who, in applying for a job as a track worker, declared that she had three O-levels and three CSEs. British Leyland says that it discovered

that she had four A levels and a political science degree.

Company administrators also wrote to the referees listed by some of the applicants as previous employers and received genuine-sounding replies. But checks revealed that the referees were forged; addresses were private homes where businesses did not operate. Company names given on the application forms were not registered at those addresses, according to a letter which all hourly paid employees will receive today from Mr Doug Dixon, the plant director.

Mr Dixon's letter adds: "This deliberate provision of false information does not represent a genuine mistake. Neither does it represent an innocent attempt to get a job." He said that all 13 had signed statements saying that they accepted that incorrect information could lead to dismissal; almost all of the 13 had admitted giving false information.

The alleged activists had submitted their forms in May last year before starting work later in the year. They were among 1,000 workers required to produce the Maestro car.

BL investigators are understood to have been alert for some time to the activities of a group of Marxists intent on working their way into important trade union positions on the shop floor at Cowley.

According to shop stewards, the newcomers joined one of the Factory's branches of the Transport and General Workers Union, attended meetings and became involved in branch affairs. Their immediate interest in, and knowledge of, union matters led to speculation that they belonged to an ultra left wing group trying to infiltrate the local union. Six of them became shop stewards.

One steward said: "Some of these people have been bragging about the way they got into the factory. All the signs point to someone putting the finger on them and telling management."

The transport union recently asked for one newly elected shop steward to be officially recognized by the company - requests which normally lead to a cursory examination of personal records.

Mr David Buckle, the union's district secretary, said: "I cannot imagine that a request for credentials would prompt an investigation as expensive as the one now going on."

He refused to comment on the company's decision. He will be involved in the employees' appeal against dismissal which begins today.

Mr Buckle said earlier: "With unemployment at its present level it is not surprising that in their desperation to find work, people give false information."

## Search for caves as nuclear dump sites

By Barrie Clement Labour Reporter

Nuclear waste may have to be dumped underground in Britain after action by three transport unions to stop it being disposed of at sea.

A search for dump sites is being undertaken by the Nuclear Industries Radioactive Waste Executive (Nirex), a wing of the United Kingdom Atomic Energy Authority. The location of potential sites will be announced this autumn when the authority will seek planning permission.

A spokesman for the authority said: "The waste exists and something had got to be done with it. If one disposal option is closed we have got to find others."

The "low grade" radioactive material concerned is now being stored in buildings at Winfrith, Dorset, and Harwell, Oxfordshire, and at the Ministry of Defence establishment at Bicester, Oxfordshire.

But the authority argues that it is "more sensible and safer if it is disposed of in a rather than storing it." Nirex is looking for sites where there are inaccessible underground caverns.

Mr Frederick Fenning, deputy director of Harwell, said that there was a "long-standing" invitation for unions to talk to the authorities.

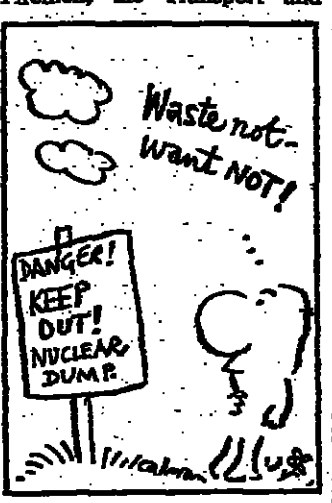
The waste in question is made up of gloves and clothing and cleaning materials from medical, industrial and defence laboratories. About 90 per cent of its weight constitutes steel and concrete packaging.

Some of the material may be tipped into shallow land burial sites which would cover 100 acres and comprise a series of trenches between 6 and 9 metres deep. The most radioactive material would be sandwiched between backfill and two layers of concrete.

Possible sites include clay outcrops which run across England from the south-west coast through the Midlands to the Wash and the Humber.

Some of the waste might be too "high grade" for such a repository or might have a longer radioactive life. This would be dumped in subterranean caves.

The material was originally due to be disposed of 500 miles from Land's End starting on July 11. But because of action by the Associated Society of Locomotive Engineers and Firemen, the Transport and



General Workers' Union and the National Union of Seamen, the "dump ship" Atlantic Fisher has been lying empty at Barmston.

In a letter to *The Times* last Thursday, Mr Jim Slater, the NUS general secretary, argued that the authority and the Government had been seeking to act against the wishes of the London Dumping Convention, a UN-sponsored agency, which regulates the disposal at sea of any material it regards as potentially harmful.

## Hattersley rank and file appeal

By John Winder

Mr Roy Hattersley, MP, will next week appeal direct to the rank and file membership of the Labour movement in his attempt to win the leadership of the Labour Party.

In a speech at Leicester on Monday, he is likely to direct his words especially to the members of unions who have been asked to ballot for their choice among the various candidates for leader and deputy leader. Mr Hattersley, like his main rival, Neil Kinnock, MP, is seeking election to either post.

In his speech, Mr Hattersley may be expected to point out that at the general election Labour had urged control on prices, dividends and profits but had not said much about how those profits should be invested.

Mr Hattersley has long been a supporter of a national minimum wage and some in his camp believe that the party's commitment to it in the manifesto was weaker than it might have been, partly because the biggest union, the Transport and General Workers' Union, is opposed to it because it is against any incomes policy. His appeal to the union membership is seen by his supporters as crucial to his campaign.

A further development in the Labour leadership campaign yesterday was a letter from Mr Neil Kinnock to *Labour Weekly*, published by the Labour Party, strongly supporting consultation of the rank and file membership of constituency Labour parties in arriving at a decision on whom to support in the leadership elections.

He complains in the letter that hints in the Press that he was opposed to a wider franchise had never been backed by evidence.



Honoured for bravery: Mr Peter Gurney (top) and the late Mr Kenneth Howorth.

## Bomb disposal men get top award

By Stewart Tendler

A Scotland Yard explosives expert who defused a Provisional IRA bomb in London despite the knowledge that a similar device had killed a colleague minutes before is today awarded a bar to the George Medal he already holds.

Mr Peter Gurney, aged 52, is named in a list of civil gallantry awards published in the *London Gazette*.

The colleague who died, Mr Kenneth Howorth, is awarded a George Medal posthumously.

The list also includes the award of a George Medal to Constable David Browning of the Royal Ulster Constabulary

for gallantry in Northern Ireland.

The awards to the two explosives experts follow a bombing attempt on shops in Oxford Street, central London, in October, 1981.

A warning of the bombs was given and the two men, both former members of the Royal Army Ordnance Corps, were called to the scene. They faced bombs which were apparently due to explode 30 minutes after the warning.

Mr Howorth, who was aged 49 and married with two children, went into an evacuated Wimpy Bar to deal with two packages in a lavatory. It

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## Entertainment ousts religion on ITV

By David Hewson

Serious Sunday night religious programmes on independent television are to make way for light entertainment in order to enable the commercial channel to compete more evenly with the BBC. The move has incensed many church officials.

In three weeks the programme slot between 6 and 6.30pm, frequently occupied by LWT's *Credo*, will be moved to 2pm on Sundays for an experimental period of a year. The Sunday evening hymn programme at 6.45pm will be unaffected.

Seven years ago, the BBC moved its equivalent serious religious programme, and has been attracting large audiences with its holiday programme and *The Antiques Roadshow* at 6pm on Sundays.

The Rev Donald Reeves, Rector of St James's, Piccadilly, who recently retired from CRAC, said: "There seems to be an enormous loss of confidence among religious broadcasters at the moment. The fact that they cannot make programmes which will stand up to Arthur Negus I find really distressing."

## Test cricketer seeks asylum in Britain

Aftab Gul, the former Pakistan test cricketer, said yesterday he had applied for political asylum in Britain because he faced a death sentence on trumped-up charges if he returned home.

Pakistan's military Government said last month that two Sam7 ground-to-air missiles were found in his home in Lahore and accused him of being a member of the clandestine Al-Zulfikar guerrilla group.

Mr Gul, aged 37, a lawyer who played six tests for Pakistan between 1963 and 1971, was in Britain when the Government reported finding the arms cache.

He told a press conference in London that if any missiles were found at his home they were planted there by Government agents. "It is an attempt to frame me," he had never been connected with Al-Zulfikar.

He said the Zia regime was using fabricated charges to victimize his family.

## Druze hand over ministers in Jumblatt castle

From Robert Fisk, Beirut

President Amin Gemayel of Lebanon retrieved three of his ministers from the hands of Druze gunmen yesterday at the price of his credibility and a ceasefire that is unlikely to last more than 24 hours.

After a morning of fierce artillery battles around the capital, the Druze militias who had abducted the three men on Wednesday night surrendered them to the Israeli Army in the hallway of Mr Walid Jumblatt's stone castle in the Chouf mountains in conditions of near farce.

There are those in Lebanon who are kidnapped and never live to tell the tale. And there are those who talk long and hard to their heavily-armed captors and then insist that they had never been kidnapped at all.

A third of President Gemayel's Cabinet clearly fell into the second category. Indeed, the three ministers insisted that they had merely been guests at the gloomy castle of Moukhtara.

Their Druze captors, who had earlier demanded the resignation of Mr Gemayel's entire Government - including his secret service chief - in return for the ministers, then claimed that nothing was further from their minds.

The destruction of the Gemayel Government was merely the condition that would have to be met if the Druze were to stop bombarding Beirut airport with missiles. Mr Jum-

blatt himself, comfortably ensconced in Damascus, was unaware that his gunmen had released the prisoners.

Lebanese Government officials subsequently claimed that the Israelis had themselves initially refused to free the men unless they agreed to have their photographs taken next to some Israeli officers, a condition which the ministers are said to have rejected.

They eventually returned to Beirut in the company of Mrs Kholia Arsanian, a member of the Jumblatt clan but the wife of Mr Jumblatt's rival among the Druze, escorted by armed Lebanese security police.

The three men - Mr Adel Hamiyeh, Minister of Finance; Mr Pierre Khoury, Minister of Public Works; and Mr Adnan Mrowa, Minister of Labour - had called on Wednesday night at the village of Baadaran to discuss the nine months of Druze-Christian fighting with Shaikh Muhammad Abu Shakra, a Druze spiritual leader.

They were abducted at gunpoint outside his home and taken to Moukhtara - "it was suggested that he went there for the night", one of the ministers ventured discreetly - and it was the white-bearded prelate himself who negotiated their release from the castle yesterday.

Israeli troops and plain clothes security agents of Shin Beth - all wearing dark glasses - escorted the ministers from the castle and then placed half-track

Continued on back page, col 3

## Chad admits fall of Faya-Largeau

Ndjamena (AP, AFP) - The Chad Government of President Hissene Habré yesterday admitted that the strategic northern outpost of Faya-Largeau had fallen to Libyan troops and rebels backed by waves of jet bombers, Soviet-supplied heavy artillery and T-62 tanks.

Western military sources, with access to satellite reconnaissance information from the combat zone, said Faya-Largeau fell at midday on Wednesday to the first unopposed intervention of Libyan troops in the latest phase of Chad's 19-year civil war.

The Information Minister, Mr Sountailla Mahamat, said Government forces had set up defensive positions 4.5 miles west and 11 miles east of the settlement, which controls all routes from Libya to the capital, Ndjamena.

The Western sources, insisting on anonymity, said the bulk of Mr Habré's estimated 5,000-man army had been isolated in the outpost 500 miles north of Ndjamena almost since it was captured from Libyan-supported rebels on July 30.

A Chadian Embassy spokes-

man in Paris said Mr Habré's soldiers had departed in small groups to "limit losses from raids by the Libyan Air Force". He said the Government troops had not suffered heavy casualties and that more than 50 Libyan aircraft were operating in the region.

The Western sources in Ndjamena said most of the government troops scattered into the surrounding palm grove and desert after the collapse of all resistance. The American-supplied Redeye surface-to-air missiles were taken out Faya-Largeau before it was lost.

During the ill-matched battle, other government troops recaptured the outpost of Oum Chalouba, 200 miles further west, from forces loyal to former President Goukouni Oueddei.

A source in Ndjamena said Libyan fighter-bombers pursued the Government forces to the Chicha Wells, 120 miles south of Faya-Largeau in the direction of Koro-Toro. The Libyan planes yesterday also bombed Oum Chalouba.

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## Mermaid Theatre is put on the market

By Christopher Warman Arts Correspondent

The Mermaid Theatre, founded by Lord Miles more than 20 years ago, has been put up for sale by the theatre's trustees after failing to solve the financial difficulties which have beset it since reopening in refurbished premises in Puddle Dock, Blackfriars, in 1981.

Lord Miles said last night that he was distressed at the decision and criticised the Corporation of the City of London for not providing more help. He said that over the whole period the corporation had given an average of £5,000 a year, ranging from £1,000 at the beginning to £8,000.

Lord Miles said he still had hopes that the theatre might be saved but he believed his connection with the Mermaid had ended.

"There is no room for my wife and me now. The productions are brought in and there is no creative energy there. It is not the sort of theatre I would want to confine in."



Final curtain: Lord Miles outside the refurbished Mermaid Theatre.

The Mermaid's reopening production, *Eastward Ho*, proved a disaster and lost £80,000, while an appeal for £1m to put the theatre on a solid financial basis raised about £350,000.

Recently the theatre has had to bring in productions, including *Children of a Lesser God*

and *Traford Taxi*. These succeeded in keeping the theatre open after a period of "darkness" but have made little impact on its deficit.

Lord Miles and his wife invested £10,000 in one production and cut their salaries to save costs.

He is at present appearing at the Yvonne Arnaud Theatre,

Guildford, in *The Cherry Orchard*, which is scheduled to come to the West End in the autumn.

*Traford Taxi* is to close on August 20, when the theatre will be temporarily let to Riverside Studios for a production of the Engage O'Neill play, *Moon for the Misbegotten*.

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## Sharp rise in rescues at seaside

Coastguards between Sussex and north Cornwall have reported 33 per cent rise in rescue incidents this summer. More holidaymakers and the growing popularity of windsurfing were blamed yesterday.

The figures relate to the period since June 1 in the Falmouth search and rescue region, which stretches from Selsey Bill, near Chichester, to Tintagel.

As strong offshore winds continued to blow, holidaymakers on the South coast were warned yesterday not to use inflatable in the sea. Two people have drowned.

The body of Nigel Ellis, aged 53, of North Harrow, Middlesex, was recovered yesterday from the sea off Eastbourne.

Shortly afterwards the alarm was raised for Neil Lawrence, aged 10, of Aylesbury, who was on an airbed off Littlehampton, Sussex. An inshore rescue boat later recovered his body.

Police in Scotland warned tourists yesterday of the dangers of swimming in lochs, as a search went on for a youth seen to disappear below the surface of Loch Lomond.

## Dismissal threat to 200 workers

Strikers supporting 400 dismissed electricians at Shell/Eso's £700m petrochemical complex at Mossburn, in Fife, were told in a management letter yesterday that they will be dismissed unless normal working is resumed.

The 400 workers, employed by Shell/Hall Engineering on Shell's gas liquids fractionation plant were dismissed on Wednesday after nine days of unofficial strike over working conditions and 200 more employed by Lummus at the site came out in support.

## Policing warning to Brittan

Mr Leon Brittan, the Home Secretary, was given a warning yesterday by Labour councillors representing metropolitan areas that the proposed abolition of metropolitan counties would be harmful by the proposed abolition of metropolitan counties.

A delegation to the Home Office from the Association of Metropolitan Authorities demanded an independent study before the Government abolishes the councils.

## Protest over council homes

The left-wing labour administration in Liverpool was criticized yesterday by traditional Labour voters in the city over its policy of building 2,000 homes to rent, some of them in private housing schemes.

People who bought their homes on the Walton Hall Park Estate protested at housing committee meeting over a decision to build 67 council houses next door.

## 17,500 pirated videos seized

More than 17,500 illegal video tapes, including 200 master copies, have been seized this year by investigators from the Federation Against Copyright Theft (FACT).

Several important criminal actions are pending in England and Scotland, according to Mr Peter Duffy, FACT's director of investigations. They are the result of collaboration between FACT, the police and local authority trading standards departments.

## Pigeon race ban

Pigeon racing has been banned for at least three weeks in South Wales after an outbreak of poultry disease. Three cases of paratyphoid have been reported in pigeons in Llanelli, Dyfed.

## M1 tanker blaze

Firemen, battling for an hour yesterday, prevented a big explosion on the M1, near Luton, Bedfordshire after a tanker full of laden with 26,000 gallons of petrol burst into flames.

# Chinese gang finds way to beat shipping injunction

By John Lawless

A Chinese gang alleged to have swindled Taiwanese factories out of \$25m (£16m) worth of goods by shipping them to Britain on the strength of cheques which then "bounced" yesterday switched tactics in an attempt to beat a High Court injunction.

The injunction, as reported in *The Times* yesterday prevents shipping lines from handing over the container loads of goods.

"It now appears that they are trying to sell off the shipping documents to British retailers," Mr Eric Ellen, director of the London-based International Maritime Bureau, said. The bureau is co-ordinating the investigation into the alleged fraud.

"We now know that more than one Chinese man is trying to claim the containers in Britain, although we do not know how many," Mr Ellen said.

"We have had no end of calls as a result of *The Times* story. It is clear that they are now trying to off-load to goods by selling the documents, and the message to British shopkeepers must be 'Beware the bargain'," he said.

Mr Ellen, formerly Chief Constable of the Port of London Authority police, has sent a report to the Director of Public Prosecutions. The legal situation is extremely complicated. It is clear that they are now trying to off-load to goods by selling the documents, and the message to British shopkeepers must be 'Beware the bargain'," he said.

## Man tried to claim five consignments

By a Staff Reporter

As officials of the international Maritime Bureau were telephoning shipping lines from their offices in Barking, east London, to warn them not to hand over containers of unpaid-for goods from Taiwan, a man said to have masterminded the alleged fraud was calling at a dock office near by, trying to claim five loads.

Mr Raven Arora, the representative of Taiwanese factory-owners, said yesterday: "He was trying to pick up shipments of toys garments and telephones worth \$100,000."

The director of the Scandutch shipping line, who met the Chinese man named in Wednesday's High Court injunction, was Mr Graham Johnson. The incident happened about one hour after Scandutch had been given notice of the injunction.

"I think it was the first inkling he had that he could not take possession of the consignments," Mr Johnson said yesterday.

"He was a gentleman from the Far East, although I could

not say absolutely that he was Chinese, he was certainly not aware of the court proceedings."

"I had to explain to him the ramifications of what we were legally bound by British law not to release the cargoes and that as a shipping line, we would not want to break the laws of any country," Mr Johnson said.

"Shipping lines are the innocent third parties," Mr Johnson said. "I had to tell the man what his next step should be. We tried to give him as much information as possible. He must now go to courts to claim his cargo."

"He was here for 15 to 30 minutes. It was a perfectly normal business interview. He sounded perfectly calm. There was no indignation and no aggravation. He said: 'Thank you' and that was that."

"As far as we are concerned, we had a bill of lading presented to us. If it had not been for the High Court injunction, I would have had to release the cargo," Mr Johnson said.

## Long dispute predicted over day trips

By Nicholas Timmins

Britain's dispute with France over 60-hour no-postcard excursions is likely to take months rather than weeks to resolve after this week's meeting between French and British officials.

The Home Office said yesterday it had received no reports of day trippers being turned back in the week since the dispute surfaced. So far more than 100 visitors, mainly black, have been turned back.

Britain hopes the French will let the issue lie until the 1971 memorandum of understanding covering the visits is redrawn. The arrangement is available only to British passport holders.

The French say sample checks on those carrying excursion cards will continue.

The National Association of Community Relations Councils said yesterday: "Had the same treatment been meted out to white Britons, the ensuing diplomatic uproar would have been deafening. In the event the diplomatic representations have been more akin to a whisper."

## Radio station withdraws pay rise offer

By David Hewson

A 5 to 6 per cent wage increase offered to staff at the London commercial news radio station LBC has been withdrawn because of the company's poor financial performance.

The management has also outlined plans to make the station's output more popular.

LBC sells itself as London's all-news station, but recent audience figures have been disappointing. The company is expected to make a pre-tax profit of £70,000 this year, 1.2 per cent of turnover.

The station's management has told unions that the pay offer made in June would result in redundancies. It wants wages frozen until February in return for a guarantee of no redundancies.

It is planned to replace the midday to 7 pm news programme with an extended morning phone-in and a music and chat show from 1 pm to 5 pm. News would be broadcast from 5 pm to 7 pm.

LBC's franchise was renewed last year.

## Twopenny toll battle lost by ex-paratrooper



Thames barrier: Mr Michael Cox, aged 44, in front of the Thames bridge which he owns in Oxfordshire and which has become a bridge too dear. Mr Cox, a former paratrooper, who bought the bridge for £100,000 in 1981 with his wife Stella, has been refused permission by the Secretary of State for Transport to raise the toll charge from 2p to 10p after a public inquiry (Michael Horsnell writes).

The cost of crossing the picturesque Swinford Bridge on the B4044 road thus remains for motorists what it was

for the drivers of horse-drawn vehicles when the bridge was built in 1767 by the fourth Earl of Abingdon. That could spell ruin for Mr Cox, who claims that his present takings leave him without measurable profit and facing a maintenance bill of £350,000. But Mr Cox, who employs two assistants to help him collect the toll, said yesterday: "I have lost a battle and am licking my wounds but I am not going to relinquish the ownership."

The troubled waters under his stone

bridge were stirred earlier this year when Mr Cox imposed a 10p charge. But regular users pointed out that under the 1767 Act which allowed the bridge to be built, toll fees cannot be increased without the consent of Parliament. Mr Peter Floyd, county solicitor for Oxfordshire county council, which led the objection to the toll increase, said: "Our objection was that the increase was not necessary and our own survey shows that only £181,000 is needed."

Photograph: Michael Ward

## £400 rabies fine over guinea-pig

A West German holiday-maker was fined £400 by magistrates at Bath yesterday under anti-rabies regulations. A pet guinea-pig he and his family had brought into Britain through Dover was destroyed.

For the prosecution, Mr Charles Kinchin, an Avon trading standards officer, said West Germany had the second highest number of rabies cases in the world last year, with more than 6,500 reported.

Wolfgang Kohnen, a computer specialist aged 35, from Mönchengladbach, pleaded guilty to importing the animal. The count was told he and his wife and two children had travelled in Europe with their pet, Mecki.

The police were called when tourists saw the animal in a cage outside their caravan at a camping site at Newbridge near Bath.

Kohnen told the magistrates through an interpreter: "We had seen no anti-rabies posters in Germany and could not understand the English word for rabies. We didn't think we came from a rabies area and we made no attempt to hide the animal."

## Prisoners at Albany guilty of mutiny

By Peter Evans, Home Affairs Correspondent

Twelve prisoners from Albany prison on the Isle of Wight have been found guilty of mutiny by the jail's board of visitors.

They are among 15 prisoners to be punished for offences committed during a riot in May. Another four were found not guilty of mutiny.

Six prisoners at Wormwood Scrubs prison, London, have been found guilty of creating a disturbance there in June.

Thirty-one prisoners at Albany were charged, 28 with mutiny. Two panels from the Albany Board of Visitors, with two magistrates on each, have been touring prisons to which Albany's alleged offenders have been sent. Some remain in Albany; the others have gone to Winchester, Manchester, Wandsworth, Wormwood Scrubs and Birmingham.

The Prison Department will not give details of punishments until the hearings are completed.

Held in private, the cases have revived a long-standing controversy about the role of boards of visitors in hearing charges against prisoners. Penal

## Protection for press criticized

Journalists should not receive special protection from police powers to search for confidential information when investigating serious crime, the Media Law Group said yesterday.

The group, set up by the British Executive of the International Press Institute, has sent its comments on "undesirable aspects" of the Government's Police and Criminal Evidence Bill to Mr Leon Brittan, the Home Secretary.

The Bill, which aroused considerable controversy in the last Parliament, and is to be reintroduced, proposes protecting journalists against seizure of confidential information.

However, the group said that special treatment for journalists would violate a fundamental element in the philosophy of the British Press and distance journalists from readers.

## £40m plan to rebuild hotel

A £40m plan to rebuild the four-star North British Hotel in Edinburgh was announced yesterday.

The hotel is not commercially viable in its present form, Mr Peter Tyrie, managing director of its owners, Glencroft Hotels, said.

The plan, which would involve demolishing the existing building and replacing it with a new one, was announced by the company's chairman, Mr Ken Livingstone, Labour leader of the GLC, and Mr Alan Greengrass, leader of the Conservatives on the council, may visit the "fringe" of the Liberal Assembly to support the plan.

There is some doubt about the Conservative leader accepting the invitation.

## GLC joins fight over green belt

By David Walker, Local Government Correspondent

The Labour-controlled Greater London Council yesterday joined up with the solidly Conservative Home Counties to prevent the Government eroding the green belt around London in the interests of private house-builders.

Mr George Nicholson, chairman of the GLC planning committee, complained of "an insidious tie-up" between the house builders and the Government.

"Saving the green belt is not just of concern to those lucky enough to live in the leafy suburbs. It is also vital to people in inner London who rely on such countryside near by for a welcome break from the pressures of inner city life."

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"It is the envy of many less fortunate sprawling world cities. Whatever the Government's assurances, once you start making exceptions, they can so easily become the rule and open the door for a flood of development."

## Housing benefit review demanded by Labour

By John Winder

An urgent review in to how the new housing benefit scheme could be simplified was demanded last night by Mr Brynmor John, MP, Labour spokesman on social security, who said that in creating the scheme the Government had perpetrated an enormous blunder.

"In large parts of the country, administration of the scheme has simply broken down. Many thousands of tenants are going without the help to which they are entitled and are falling into rent arrears as a result."

Mr John said that local council staff were working at full capacity but finding the task beyond them. For the staff and claimants the new scheme was a nightmare.

The scheme was introduced fully in April and about 80 per cent of local authorities have completed the transfer, so that 95 per cent of claimants receive benefit under the new scheme.

Mr Rhodes Boyson, Minister for Social Security, has defended the scheme and suggested that some "problems" were being transferred from 7,000,000 households were inevitable.

Transitional arrangements to continue supplementary benefit

## Steel veto attacked by London Liberals

One of the strongest of the Liberal organizations, the London region, has decided to back moves at the annual Liberal Assembly next month to get rid of the leader of the party's veto on the contents of election manifestos.

The region's backing for a motion by the Young Liberals and Daventry local association, which has the support of other constituencies, was carried by such a large majority at the regional annual meeting that no count was required.

Officials of the London Liberals and all backers of the move emphasized that it is not an "anti-Steel" motion.

Even so, Mr David Steel is known to be deeply opposed to any such proposal and there is little doubt that many Liberals will be hard to convince that it is not directed against Mr Steel if he opposed it at the assembly in Harrogate.

Some supporters of the move take the line that the leader is a member of the standing committee which draws up the manifesto and if he is opposed to any item in it, then it has little chance of featuring in the final draft.

Proponents of the move say that it will strengthen the Leader's position because he would not then be saddled with sole blame for any manifesto item which proved unpopular with a section of the party.

Mr Colin Darracott, chairman of the London Liberals, said: "This is a point of principle, not an anti-Leader, still less an anti-Steel move. This is a grass-roots party."

The Liberal Party did not have its own manifesto at the last election, but fought on a joint programme agreed by a committee of Liberal and Social Democratic Party MPs, and did not have a veto on that. The London region embraces 84 constituencies.

The London Liberal Region has also decided to support the preservation of the Greater London Council.

The region hopes that Mr Ken Livingstone, Labour leader of the GLC, and Mr Alan Greengrass, leader of the Conservatives on the council, may visit the "fringe" of the Liberal Assembly to support the plan. There is some doubt about the Conservative leader accepting the invitation.

## GLC joins fight over green belt

The Labour-controlled Greater London Council yesterday joined up with the solidly Conservative Home Counties to prevent the Government eroding the green belt around London in the interests of private house-builders.

Mr George Nicholson, chairman of the GLC planning committee, complained of "an insidious tie-up" between the house builders and the Government.

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Transitional arrangements to continue supplementary benefit

## The Chartered Associations (Protection of Names and Uniforms) Act 1926

Notice is hereby given that The National Society for the Prevention of Cruelty to Children has applied to the Under Secretary of State, Home Office, for the making of an Order in Council under Sub-sections (1) and (2) of Section 1 of the Chartered Associations (Protection of Names and Uniforms) Act 1926 to protect the name of the Society and the following names, designations and badges used by the Society in pursuance of its Royal Charter and Supplemental Royal Charters, that is to say:-

- The name "THE NATIONAL SOCIETY FOR THE PREVENTION OF CRUELTY TO CHILDREN"
- The abbreviation "NSPCC"
- The name "NSPCC Young League"
- A badge depicting the letters "NSPCC" adjacent to the hand of an adult grasping the hand of a child.
- An oval shaped badge worn without uniform with irregular edges depicting the Scales of Justice, surrounded by the words "The Prevention of Cruelty to Children" and surmounted by a coronet.
- An oval shaped badge, worn without uniform, with regular edges depicting the letters "NSPCC" surrounded by the words "The Prevention of Cruelty to Children" transfixed by a sword.

Any objection to the application by any person or society affected or likely to be affected by the Order may be made in writing to the Under Secretary of State, Home Office, Room 331, 50 Queen Anne's Gate, London SW1N 9AT by not later than 12th Sept. 1983, specifying fully the grounds for the objection.

## Running girl clue in murder hunt

From Arthur Osman, Leicester

Leicestershire police said yesterday that a motorist may have seen Caroline Hogg, aged five, trying to run away from her killer the day after she was abducted from near her Edinburgh home.

The motorist, from Derbyshire, who has not been named, came forward after seeing an artist's impressions of a man issued last week by Lothian and Borders police. However, he said that the man was not wearing glasses.

The incident occurred at a lay-by on the A444 at Twycross, Leicestershire, on July 9. The girl's body was discovered at the next lay-by, about half a mile south, on July 18.

The police said that the motorist thought it appeared that the girl was trying to run away from the man. He drove on because he believed it was a father and daughter playing tag.

But the man could not recall the make or colour of the car, which was parked at an angle.

The police said it was a vital lead and appealed to any motorist who saw anything similar to come forward at once. It could have been a father playing with his daughter, but it was essential to clarify the incident as soon as possible.

A girl looking frightened was seen in a car near Coldstream in July last year. Susanna Maxwell, aged 11, was taken away by a man believed to be driving a maroon Triumph 2000 car. Her body was found in a lay-by near Uttoxeter, Staffordshire.

Mr Hector Clark, assistant Chief Constable of Northumbria, who is co-ordinating the murder hunt, believes the same man could have been responsible.

Detectives hunting the murderer of Susan Renhard, aged 21, an art student, at Castleton, Derbyshire, appeared yesterday to a family of eight to contact them (the Press Association reports).

The police have established that the family of four or five adults and some children, were sitting at the bottom of Cave Dale around the time of the murder on June 27.

صكناحت الأصل



## Irish solicitor describes 25-hour ordeal tied to a tree by kidnappers

From Richard Ford, Enniskerry, Co Wicklow

A wealthy solicitor was recovering at his home in the Co Wicklow hills yesterday after being kidnapped for 25 hours and tied to a tree on a disused military range.

He was found early yesterday after a telephone call to his home. A huge police operation while he was missing had involved a press blackout, monitoring of telephone calls and surveillance of his 40-acre estate. An £50,000 ransom had been demanded.

Mr William Somerville, aged 45, a Protestant partner in one of Dublin's leading firms of solicitors, was taken from his home at Enniskerry after persuading the masked gunmen not to take his eldest son James, aged 14, as a hostage, which had been their original intention.

He described yesterday how he was driven away with a bag over his head on Tuesday night by a gunman wearing camouflage, a stocking mask and bandolier.

He was first driven to woods near by and was taken to the military range, five miles from his home, where his arms and legs were tied before he was bound to the tree.

He received no food during his ordeal and said that he was watched by people in the woods.

Mr Somerville said that his worst moments were during the second night. "I was just cold and very tired. I did not know what was happening and I was thinking about other things", he said.

Mrs Manon Somerville said that she had feared for her husband's life because one of

the gunmen had said: "You know who we are. You know what happens to informers."

The police said that no ransom had been paid and Mr Somerville said: "I would not have agreed to any ransom being paid: I do not know where it would have come from."

The kidnapping began shortly after Mr and Mrs Somerville went out, when a masked man who had been hiding in the bushes surprised James as he fed two dogs.

The man put a sawn-off shotgun to the boy's head and while his two younger brothers Charles and Edward were upstairs asleep the man demanded to see the security system of the house.

"I was frightened but he was quite nice and gave me a glass of milk", James said.

When they returned Mr and Mrs Somerville were confronted by the man, speaking with a Northern Irish accent, who locked them in their cellar after making his ransom demand.

Mrs Somerville pleaded "as any mother would have done" to take her son's place. It was finally agreed that her husband would be taken instead.

She said that she only saw one man but had the impression that someone else was outside.

After the police were contacted Special Branch officers were posted in the house and a series of telephone calls were made and monitored. At 11pm on Wednesday a call was made to the house with a message saying where Mr Somerville could be found.

His brother-in-law collected him, accompanied by armed



Mr Somerville, reunited yesterday with his wife Manon and son James.

## Inglorious start for grouse season

By Stephen Goodwin

The opening of the grouse season seems likely to produce more action off the moors than provide satisfactory sport for game payers up to £400 a day.

Although the British Field Sports Society describes prospects as variable, most authorities expect a poor start to the season, with an improvement next month.

The wet spring disrupted nesting and there was also a great deal of disease. Some birds reared second broods, but the young are still very small.

Three grouse moors in the Peak National Park plan to open today, instead of the usual six, to give stocks time to recover. Several estates in Scotland have cancelled their let shooting and the Sandi royal family are among the foreigners to call off shooting holidays.

The estate agents Strutt and Parker, the biggest British agents for sporting lets, consider themselves fortunate in not having anything booked for the early days of the season. "If we had let I could well have expected cancellations. The birds might well not be of a decent size to shoot."

Five days grouse-shooting with accommodation can cost a team of eight guns up to £20,000.

## Reforms proposed on meat labelling laws

By Hugh Clayton, Environment Correspondent

The Government made a second attempt yesterday to win support for sweeping reforms of the meat labelling laws. If its plans are accepted, many of the brown discs now labelled simply as "burgers" would have to be called "economy burgers" to indicate that they contained comparatively little meat.

Packets of slices now described simply as "ham" would have to indicate how much water had been injected into the meat.

The proposed new rules are a response to recommendations made by a food study group in 1980. If accepted they will not take effect for more than two years.

Mr John Bamford, head of food standards of the Ministry of Agriculture, Fisheries and Food, said in a letter to industrialists and consumer groups yesterday that the new version of the suggested rules is in some ways stricter than the first one issued two years ago.

The new rules would apply to pies, sausages, burgers and fish paste, but not to haggis or black pudding. They would require anything described as a burger to contain at least 80 per cent meat, of which at least 65 per cent would have to be lean.

Under present rules it is legal to call the product a burger if it contains less meat than that. The proposed new rules say that a dish with between 60 and 79 per cent meat must be called an economy burger. Butchers who sell loose burgers in their shops would be required to display a label showing both the price and the percentage of meat in them.

Fish made at home by members of voluntary organizations for sale on stalls would have to meet the law.

## Irate woman bowls over batsman

A woman marched on to a cricket pitch yesterday demanding an apology from opening batsman Robin Smith who had just hit the ball through the window of her flat overlooking the ground.

Mrs Iris Clarke, aged 62, refused to give back the ball and a quarrel erupted in front of spectators at the match between the Hampshire Second XI and a Southern League side on Hampshire's county ground in Southampton.

Mrs Clarke said: "They told me I was holding up their game. I said that if they could break my windows I could spoil their silly cricket. That seemed to stump them for a moment."

"They were all so smug about it. I didn't think it was funny at all."

A Hampshire Cricket Club spokesman said: "We will not pay for damage of this kind as the flats have an insurance policy."

Mrs Clarke vowed: "They are not getting their ball back."

## Equality urged for male prostitutes

Homosexual importuning should no longer be punishable by imprisonment, the criminal law committee of the Law Society has recommended.

Women are no longer imprisoned for soliciting and the committee urges in a report published yesterday that homosexual and heterosexual prostitutes should be treated the same.

The report of the solicitor's committee is a response to a review of the law on prostitution and related offences by the Criminal Law Revision Committee (CLRC).

The solicitors approve of a CLRC suggestion that the law should no longer refer to brothels. This would have "the distinct advantage of avoiding arguments about what does and what does not constitute the brothel". No offence would be committed where the premises were used for prostitution by not more than two prostitutes having their home there.

The Law Society committee agrees that there should be a new offence to deal with "kerb crawlers". But it opposes a much wider offence to catch all those who accost women for sex in public, in case an "important boyfriend" fell into the net.

At present men who ask women for sexual intercourse from their cars are not committing an offence. The CLRC proposes that it should be illegal to accost a woman from a car for sexual purposes, so as to put her in fear or "cause her annoyance", or to accost her for prostitution.

The solicitors also suggest "casual" prostitutes - probably driven to the streets by poverty - should be treated differently from the "professional", through the system of giving cautions. The aim would be to encourage the "casual" to give up prostitution.

● The Department of Health is to advise homosexuals and other people at risk from Acquired Immune Deficiency Syndrome (Aids) not to give blood.

There is growing concern that the fatal illness, first noted among American homosexuals, could be transmitted through blood transfusions to people otherwise not at risk.

The advice will be contained in leaflets now being prepared at the Health Department for distribution to blood donor centres.

One doctor in charge of a regional blood-transfusion centre said last night that the pamphlet would describe what Aids was and list the high-risk groups: homosexuals, particularly those with more than one partner; drug addicts who inject themselves with drugs into a vein; and partners of people who have Aids.

There have been 14 cases of Aids in Britain so far. Five victims have died. One of the sufferers is a haemophilic who would have received large quantities of a form of donated blood.

## TV jingles warning to advertisers

By Kenneth Gosling

Teachers and parents worried about slang and bad grammar in television commercials can take comfort today from the fact that the Independent Broadcasting Authority is also concerned.

Jingles like the Milk Marketing Board's "Gotta lotta bottle" tend to be taken up and chanted by children; and the IBA's advertising control division says it is a matter for advertisers to look at, although the authority is not proposing to reject commercials on those grounds alone.

The matter has come to ahead with the publication of last month's summary of complaints and to the IBA about television and radio commercials.

The IBA says it gets many complaints about the possible effect of jingles on children's speech, but maintains there is no evidence to suggest that it has long-term effects. "But it is a matter which should seriously be considered by advertisers and agencies."

Mr Harry Theobalds, the authority's head of advertising control, said "You could equally argue the same thing about material in programmes."

Most of the 24 complaints last month were from viewers and listeners commenting on *The Mail on Sunday's* series on the Yorkshire Ripper case by Mr Ronald Gregory.

The IBA says: "We noted the fairly large number of objections to this advertising and we acknowledge the force of the argument about offensiveness to public feeling. We also believe it was a mistake for the hoax tapes to be included in the commercials."

## Murder charge

Dr Keith Robinson of Tennyson Road, Worthing, was remanded in custody by Worthing magistrates yesterday charged with murdering Mrs Margaret Monnier, also aged 63, of Warwick Gardens, Worthing, on Tuesday.

## Fine on rape victim for carrying knife

From Our Correspondent Leeds

A rape victim was fined £150 yesterday for carrying a flick knife which she claimed was for self-defence. Helena Cunningham, aged 21, who has been attacked twice in the last year, received the fine after a judge told her that a jury had decided that on the day in question she had the knife for an offensive purpose.

As she left Leeds Crown Court, surrounded by 60 women demonstrators she said: "I am very pleased that I was not jailed. I think that now I will have to put up with the threat of being attacked or raped again."

Yesterday the protesters, some from the group called Women Against Violence Against Women, gathered outside the court to wait for the sentence on Cunningham, of Mexborough Avenue, Leeds, which had been deferred for six months so that she could complete a sociology degree at Leeds university.



Helena Cunningham in Leeds yesterday

Yesterday the court was told by Miss Gillian Whitaker, for the prosecution, that the knife was found when Cunningham and another woman were arrested outside the Odeon Cinema in Leeds while making a CNV protest.

Miss Celia Groves, for the defence, said that Cunningham had been raped and attacked twice. She said: "This young woman has that knife purely for her own protection."

## Young 'still expect traditional marriage'

By Richard Dowden

Marriage is adapting rather than changing radically, according to Miss Catherine Guy of the National Guidance Council.

In a pamphlet published today she says: "In many respects marriage is still the same as it was years ago."

Her findings are based on material from discussion groups, personal experience and surveys collected by marriage guidance counsellors in 1981.

They suggest that almost all young people want to get married, and most are prepared to accept cohabitation only as a preliminary to marriage.

More girls than boys expect marriage to be permanent and almost three quarters of young people expect faithfulness from their partners.

Most young people expect to have children in marriage. Despite a general agreement that men and women should share housework, when questioned in detail, men were less willing to do jobs like changing and washing nappies.

A very high proportion of young unmarried people wanted a church wedding though they were not predominantly churchgoing. Over half the weddings in Britain are civil.

Miss Guy says that unemployment and the changing roles of men and women will be key factors in determining the future of marriage.

Asking about Marriage (Catherine Guy. Available from NMGC Bookshop, Little Church Street, Rugby CV21 3AP. £2.50 plus 25p postage).

## Inquest opens on Arne case man

An inquest was opened at Westminster yesterday on the man wanted by police over the killing of Mr Peter Arne, the actor.

Signor Giuseppe Perusi, a 32-year-old teacher of Verona, Italy, was identified from photographs shown to his friend, Signorina Daniela Saoncella, who gave an address in South Kensington, London.

Signor Perusi was found by river police at Wandsworth on August 4. The inquest was adjourned until September 7.

## Beer honours Himalaya run

Richard and Adrian Crane, the Cumbrian brothers who ran 2,000 miles over the Himalayas and have raised more than £27,000 for charity, are to have a special beer launched in their honour.

Jennings Brothers of Cocker-mouth, will donate the profits on more than 18,000 bottles of "Marathon Ale" to the same charity, Intermediate Technology Development, which supplies simple tools to Third World countries.

## Hang gliding helper killed

A man aged 19 who was killed in a 200ft fall at a Lake District beauty spot on Wednesday night had been helping a friend to hang-glide, police said yesterday.

Mr Jonathan White, of Staunbeck Road, Leeds, was on Walla Crag in Borrowdale, helping Mr Kaimon Tew, of Buxton Oval, Leeds, to take off when the hang-glider seemed to veer back and Mr White slipped off the cliff top.

## Bone boy better

Doctors at the Royal Marsden Hospital in Sutton, Surrey, were "very pleased" yesterday with the progress of Simon Jenkins, aged two, the youngest patient to receive a bone marrow transplant. They will know in a week if the operation has succeeded.

## Wombnoise on tape lulls babies to sleep

By a Staff Reporter

Sleepless nights may be a thing of the past for new parents as a result of tests at a Sheffield hospital using a special tape recording of sounds of the womb.

It has been proved, during a six-week experiment with 27 babies, that the tape is more effective than patting, rocking, stroking or talking.

The technique was developed by five Japanese doctors, who decided to find out why so many infants become restless, driving their parents to desperation. It was, apparently, because babies miss the soothing noises of the womb.

Tiny microphones were placed in the womb, a swishing sound like blood rushing through veins was produced and babies were quickly lulled to sleep in large numbers, much to their parents' relief.

Senior Nursing Officer Patricia Callis, of the Northern General Hospital, Sheffield, was delighted yesterday when one baby went obediently off to sleep, soothed by the tape, for a BBC television programme.

"It's wonderful", she said. "The majority of babies go off to sleep within five minutes, but it ranges from one minute to 15."

"The tape has 25 minutes of the sounds on each side. It came out on top of all other methods we tried. The only time it doesn't work is when they need feeding."

"Even the mothers find the tape soothes them. One red-head who was there during the trials said she wished she could get hold of one so that she could get off to sleep herself."

The hospital now has two of the tapes, one for each of its post-natal units. It thinks they could be a boon in cases of child abuse.

Tests first showed in the 1960s that babies will go to sleep faster to the recorded noise of a human heartbeat or similar sound.

Dr Harold Gamsu, consultant paediatrician to King's College Hospital, London, recalled experiments performed six or seven years ago. "We found we had to play the tape very loudly in order to have any great effect - the staff didn't particularly enjoy it", he said. "Things may have improved since then."

## Foot takes poetic day off

Mr Michael Foot, leader of the Opposition, took a day off from politics yesterday to take part in the Wordsworth Summer Conference at Dove Cottage, Grasmere in Cumbria.

He walked round Grasmere lake before breakfast with about twenty members of the conference and then attended a lecture and a seminar.

Mr Foot was also invited to receive, on behalf of the Dove Cottage trustees, a letter written by Wordsworth to critic William Hazlitt in 1804. This has just been bought for the Wordsworth Museum by the Liverpool based Philip Holt and Rathbone Trusts for £800.

Mr George Holt, of the Holt Shipping family, travelled to Grasmere yesterday to present it to the museum.

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## Reagan to hold weekend summit in Mexico on crisis in his backyard

From John Carlin, Mexico City

Honduras provoked only a muted response from the Mexican Government. Señor Sepúlveda commented merely that the American move was "inopportune".

At a time of economic crisis, the Mexican Government is extremely concerned that the revolutionary contagion might spread north through Central America, a possibility that would become more likely if Nicaragua and Honduras went to war, or El Salvador fell to the guerrillas.

President Reagan's policies may provoke a war in Central America but, diplomats in Mexico City believe, they have at least as good a chance of bludgeoning out a peace as the so far ill-fated diplomacy of the Contadora group.

There is speculation in both American and Mexican press that the presidential platitudes that will no doubt conclude the meeting will mask what in reality will prove to have been a lead-on clash.

A month ago President de la Madrid called an urgent meeting in Cancun of the Presidents of the four countries which make up the Contadora group, Colombia, Venezuela, Panama and Mexico.

At the end of that meeting, the Contadora Presidents issued a joint statement, "the Cancun Declaration for Peace in Central America", in which they were careful to avoid any direct reference to the countries involved in the regional conflict. Nevertheless, most analysts interpreted the declaration as, among other things, a criticism of the United States.

However, an announcement by Washington just two days later that it was both dispatching a powerful naval force to Central America's Pacific coast, and sending about 5,000 troops for military manoeuvres in

sidering long-term policy options in Central America, met President Reagan yesterday after the swearing-in of the 12 commission members on Wednesday. Dr Kissinger pledged that the group would produce "the fullest and fairest report of which we are capable". There are two Hispanic members of the commission, one of whom, Mr Henry Cisneros, Mayor of San Antonio, has provoked a storm of indignation within the Administration by publicly attacking American interference in Central America.

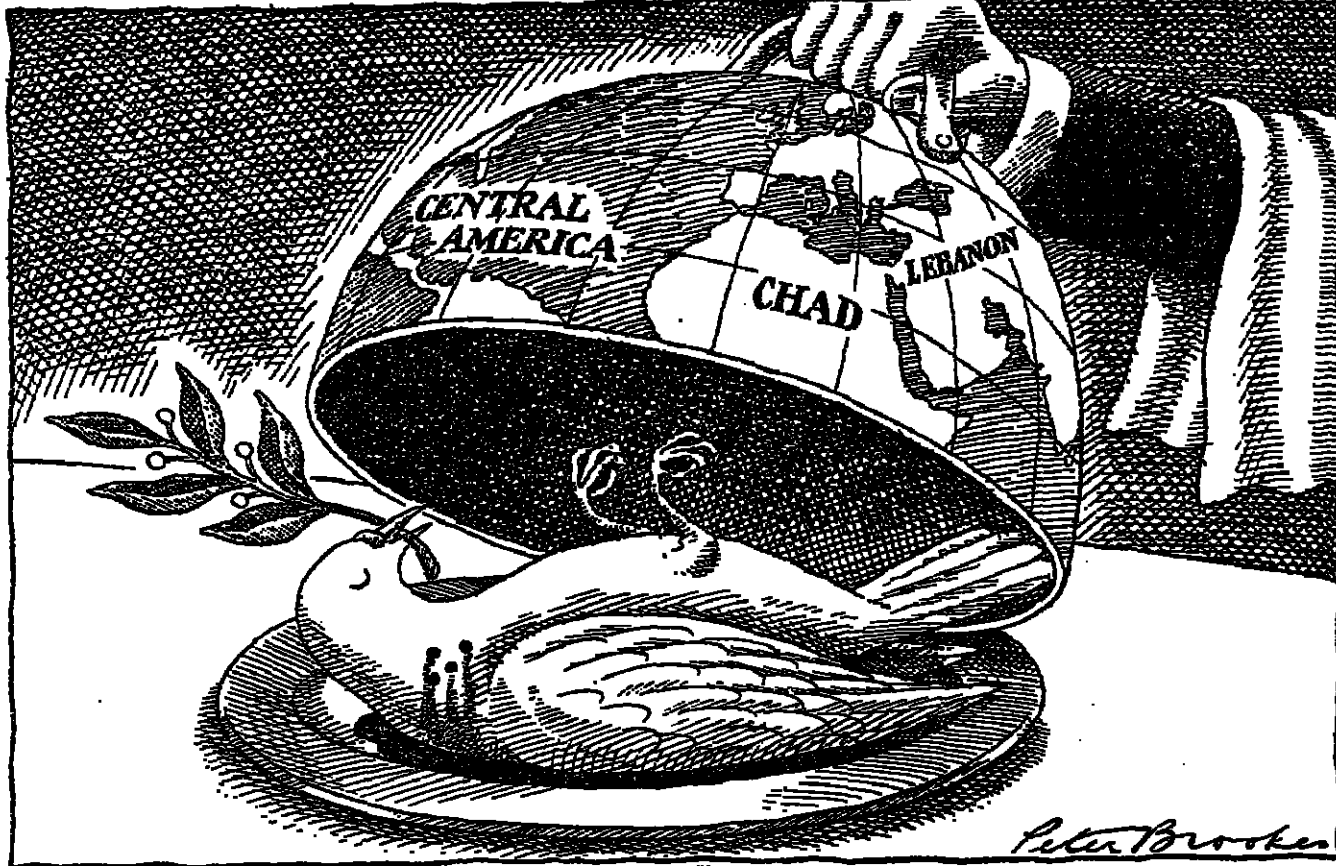
The White House merely commented that Mr Cisneros had demonstrated that the commission would not be a rubber stamp for Administration policy.

The other Hispanic member, Cuban-born Mr Carlos Díaz-Alejandro, Economics Professor at Yale, has often been accused of being sympathetic to President Castro of Cuba.

COMAYAGUA: US troops have erected a city of tents near this northern Honduran town, headquarters for the largest military manoeuvres ever held in Central America (Reuters reports). About 100 troops of the so-called Readiness Command arrived two days ago.

GUATEMALA CITY: Señor Eduardo Castillo Arriola has been replaced by Señor Fernando Andrade as Foreign Minister (Reuters reports). Señor Andrade is expected to take a harder line on Nicaragua.

MOSCOW: The Soviet Foreign Ministry protested to the US Embassy about the stopping of the freighter Aleksandr Ulyanov in the Pacific and the questioning of the captain (Reuters reports).



The Glorious Twelfth

## Church assembly ends on radical note

Vancouver (NYT, Reuters) - The sixth assembly of the World Council of Churches ended yesterday with votes condemning nuclear weapons, calling for a Middle East settlement that takes into account the plight of the Palestinians, condemning US policy in Central America and calling for economic sanctions against South Africa.

The resolution on the Middle East followed the general direction of the council's past actions. While recognizing the right of Israel and Arab countries to have secure boundaries, it called for the withdrawal of Israeli troops from the West Bank and advocated a negotiated settlement that included the Palestinian Liberation Organization.

In addition, the resolution warned Christians in the West to recognize that their guilt over the conflict in the Middle East, and led to uncritical support for Israeli policies.

The 900 delegates approved a statement accusing the Reagan Administration of trying to destabilize the Nicaraguan Government as part of an effort to "contain the aspirations of the Central American peoples".

An attempt by US delegates to soften the language by deleting specific mention of the United States in a section opposing foreign military intervention in the region was decisively rejected on a show of hands. Delegates also voted to renew their denunciation of apartheid, and asked churches to campaign for the withdrawal of investments by companies doing business in South Africa.

The motion included a suggestion by Bishop Desmond Tutu, the head of the South African Council of Churches, that it should express "love and care" for white South Africans.

The earlier vote on nuclear disarmament described the production of nuclear weapons as "a crime against humanity". The most heated controversy of the 18-day assembly came on Tuesday, when the delegates narrowly voted against a Norwegian bishop's motion calling for an immediate withdrawal of Soviet troops from Afghanistan.

But there was an enthusiastic show of unity earlier when the delegates endorsed plans for a world conference on Christian doctrinal unity in 1987. It would involve the Roman Catholic Church.

His disappearance coincided with the planting of a bomb on a train which exploded near Prato injuring three people. Observers here were quick to point out that the Propaganda 2 lodge has been linked in the past with terrorism. Responsibility for the bombing was claimed by the extreme right-wing terrorist group Black Order.

Senator Giovanni Spadolini, Minister of Defence in the new Government and Prime Minister in the administration which had the Propaganda 2 lodge declared illegal, said yesterday: "A year ago with the arrest of Gelli we won a battle but the war against the enemies of democracy is not finished. The moral emergency is not over and we are still in danger."

Signor Bettino Craxi, the new Prime Minister, made no mention of the lodge in his speech opening the confidence debate. He spoke before the news of Signor Gelli's disappearance.

If he is to satisfy public opinion Signor Craxi must now give a convincing lead in Parliament to the opening of a new investigation. The last he could do is reestablish the parliamentary commission of inquiry on the lodge.

GENEVA: Signor Gelli's defence lawyer said yesterday that he believes the masonic leader was abducted from Champ Dollon prison in Geneva. Maître Dominique Poncet the lawyer, said he had never during his months of conversations with Signor Gelli received the slightest impression that he envisaged escaping (Alan McGregor writes).

"He was removed by people - well or ill-intentioned towards him - who do not want him to speak", the lawyer added.

Before the piers are placed by the purpose-built vessel Ostrea (Oyster), each met is carefully "hoovered" by a 25 metre-wide vacuum cleaner.

Between the piers 63 sluice gates will be fitted. They can be lowered to seal off the estuary completely in the case of heavy storms expected on average about once every two years, or if an oil slick threatens the coast.

A road will be built across the top of the piers, and the whole project is expected to be completed in 1986.

The original estimated cost of the eastern Scheldt project was 4,000 million guilders (about £900m) but this estimate has currently risen - only partly due to inflation - to nearly double that amount.

The engineers are confident, however, that at least part of this cost will be recouped in the export of the unique knowhow the project has given them.

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## Help sought to identify sick Briton

A scared and bewildered Englishman, lying in a hospital bed in the United States after a car crash, is desperately trying to remember who he is. He could be helped by radio listeners who are calling the BBC with possible clues about his identity (the Press Association reports).

It was reported that the blond man, aged about 24 and 5ft 10in tall, is in hospital in Portland, Oregon, "rather scared" at not knowing his identity. He thought his name could be David Miller. He had no passport or papers to identify him.

He was injured in a car crash on July 30 and taken to the Emmanuel Hospital, Portland. A hospital worker said that "Mr Miller" remembered living in a flat in Finchley, north London.

## Argentina puts on the brakes

Buenos Aires (Reuters) - Argentina's military Government has announced tighter state controls on the economy to curb inflation and help industrial debts.

The measures, which include total state control of interest rates and tighter restrictions on prices and wages, were announced in a government statement after a Cabinet meeting yesterday.

## Seoul amnesty

Seoul (AP) - The South Korean Government announced an amnesty affecting 1,944 people, including 693 political prisoners, most of whom are already out of prison. The measure coincides with independence celebrations.

## Wind to rescue

Cape Town (Reuters) - Fresh southerly winds spread the huge oil slick from the broken Spanish tanker away from South Africa's Atlantic coastline yesterday. Officials described the escape from a disastrous fouling of the shore as miraculous.

## Volta choice

Ouagadougou (AFP) - Captain Thomas Sankara, Upper Volta's new left-wing ruler, has appointed Major Boucary Jean-Baptiste Lingani, to be head of the country's armed forces, according to an official source.

## Chase tragedy

Coachella (AP) - Eleven people were killed when a car, being chased by a border patrol, collided on Wednesday with a truck near here. The crash occurred on Highway 86, known as California's Blood Alley.

## Ethiopia crisis

Addis Ababa (Reuters) - More than a million people are in urgent need of food relief in drought-stricken areas of northern Ethiopia, according to a US congressional delegation.

## Palace facelift

Peking (Reuters) - Restoration work has begun at the site of Peking's old imperial Summer Palace, sacked and razed by an Anglo-French force in 1860. Known as the Yuanmingyuan (garden of perfection and light), the palace complex was built between 1709 and 1772.

## 10 years' grace

Dar es Salaam (AP) - China has agreed to postpone for 10 years the repayment of a \$340m loan made to Tanzania and Zambia for construction of the Tazara railway between the two countries.

## Golfer 'stable'

Sydney (Reuters) - The Australian golfer Jack Newton, who lost his right arm and an eye when he walked into the propeller of a light aircraft, is still in a serious but stable condition.

## Mea culpa

Santa Fe, New Mexico (AP) - Chief Justice Vera Payne of New Mexico fined himself \$50 (£32) for being five minutes late for a court hearing. "The reason I levied the fine is that we have a schedule and there are other people depending on us."

## Senator opposes lifting sanctions on Poland

From Roger Boyes, Warsaw

The first senior American ambassador to visit Poland since the lifting of martial law has left Warsaw declaring that economic sanctions should not be abandoned in the immediate future.

Senator Christopher Dodd, a Democrat from Connecticut, said that he had held talks with top government officials including Mr Stanislaw Nieckarz, the Finance Minister, and Mr Janusz Obodowski, the Deputy Prime Minister in charge of the economy, and with Mr Lech Walesa, the leader of the outlawed Solidarity union.

The two ministers had expressed their view that sanctions should be lifted immediately. But Mr Dodd said that while the ministers had been "extremely articulate," his

recommendation to the Senate would be that it was "premature" at this particular hour to lift those particular sanctions.

During four hours of confidential talks with Mr Walesa, the senator gained the impression that the Solidarity leader was against the lifting of sanctions. Mr Walesa had said that he was ready "at any time, in any place" to meet the Government and open a dialogue. He had said that political prisoners should be freed.

Mr Dodd, who is a member of both the foreign and the finance committees of the Senate, said that the Polish side had expressed strong interest in membership of the International Monetary Fund, as that while the ministers had been "extremely articulate," his

## Troubles at sea and in space

## Soviet atom submarine salvage in Pacific

From Philip Taubman (NYT), Washington

A nuclear-powered Soviet submarine sank in the North Pacific in June, according to American intelligence officials apparently killing all

The United States did not know whether the submarine, which was built to carry cruise missiles, was armed with them when it sank or whether there were any nuclear warheads on board.

The Soviet Government conducted an elaborate salvage effort that ended recently when the submarine was floated to the surface.

The salvage operation was conducted in part to prevent the US from trying to recover the vessel, they said, just as with the attempt to raise a sunken Soviet submarine in the early 1970s.

## Cosmonaut lifts veil on near crash of Soyuz

From Richard Owen, Moscow

The revelation that a Soviet spacecraft narrowly avoided crashing into an orbiting space laboratory earlier this year is seen as further evidence that the Soviet authorities have decided to be a little more open about accidents and near-accidents.

Writing in the armed forces newspaper Red Star this week, Colonel Vladimir Titov gave the first public explanation of what went wrong with the Soyuz T8 mission.

The Soyuz craft, with a crew of two commanded by Colonel Titov, was supposed to dock with the orbiting space laboratory Salyut 7 on April 22 in a triumphant demonstration of Soviet space expertise coinciding with celebrations in Moscow of Lenin's birthday anniversary. Instead, the docking

had to be aborted at the last moment and there were fears for the cosmonauts' lives.

In his article Colonel Titov admitted that the failure, attributed by Tass at the time to "deviation from the norm of the planned orbit", had been due to an antenna malfunction.

Initially, the crew were in touch with ground control, firing their engines in 50 second bursts as they manoeuvred towards the massive station.

With the lights of the station only 160 yards away, Colonel Titov decided they were going too fast. "It seemed possible we were going to crash, so I fired the engines to move the craft down," he wrote. When they emerged from the "dead zone" the crew were instructed by ground control to return

to a safe orbit.

Colonel Titov said that the Soyuz T8 mission was a triumph for the Soviet space programme, but that the failure had been a "serious setback".

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## Shagari's post-victory priorities

Lagos (Reuters) - President Shagari of Nigeria, fresh from a landslide victory at the polls, said yesterday that the economy and agriculture would be the priorities of his new administration.

He polled more than 12 million votes - more than four million ahead of his closest rival, Chief Obafemi Awolowo of the Unity Party of Nigeria - according to final results released early yesterday.

He said he was not concerned about opposition protests of widespread election malpractice and allegations of rigging by his National Party of Nigeria (NPN).

"Nigerians like to complain, especially when they lose," he said. "Nigerians understand this and I do not take it very seriously."

He said that the first civilian-run elections in Nigeria for nearly 20 years had proved that democracy had been re-established. "I am pleased we have proved wrong those who believe we are not capable of running free and fair elections without violence."

He said that there would be a Cabinet shake-up after his inauguration on October 1 but no change of policy. "What we are immediately concerned with is the state of the economy and our task is to tackle the problem of recession."

Mr Shagari gave no further details, but earlier Professor Emmanuel Edozien, his special adviser on economic affairs, said there would be no relaxation of austerity measures imposed in April last year to cut down on imports.

"We do not intend to be deluded into reverting to old habits by a change of fortunes in oil," he said. "We should not see the cut-down on imports as temporary. The pressure will be kept up, although the levels may change."

Mr Yorram Aridor, the Finance Minister, told a conference

that the Government remained unconvinced yesterday, as many Israelis continued buying foreign currency in the belief that a second devaluation will soon follow this week's cut in the value of the shekel by 7.5 percent.

Israel radio said the continued high demand for foreign bank notes reflected public scepticism about repeated Treasury details that a second devaluation was being contemplated.

The Government is now drawing up a programme of new taxes and swinging cuts in ministerial budgets to rescue the economy and pay for the occupation of Lebanon, estimated at \$1m a day.

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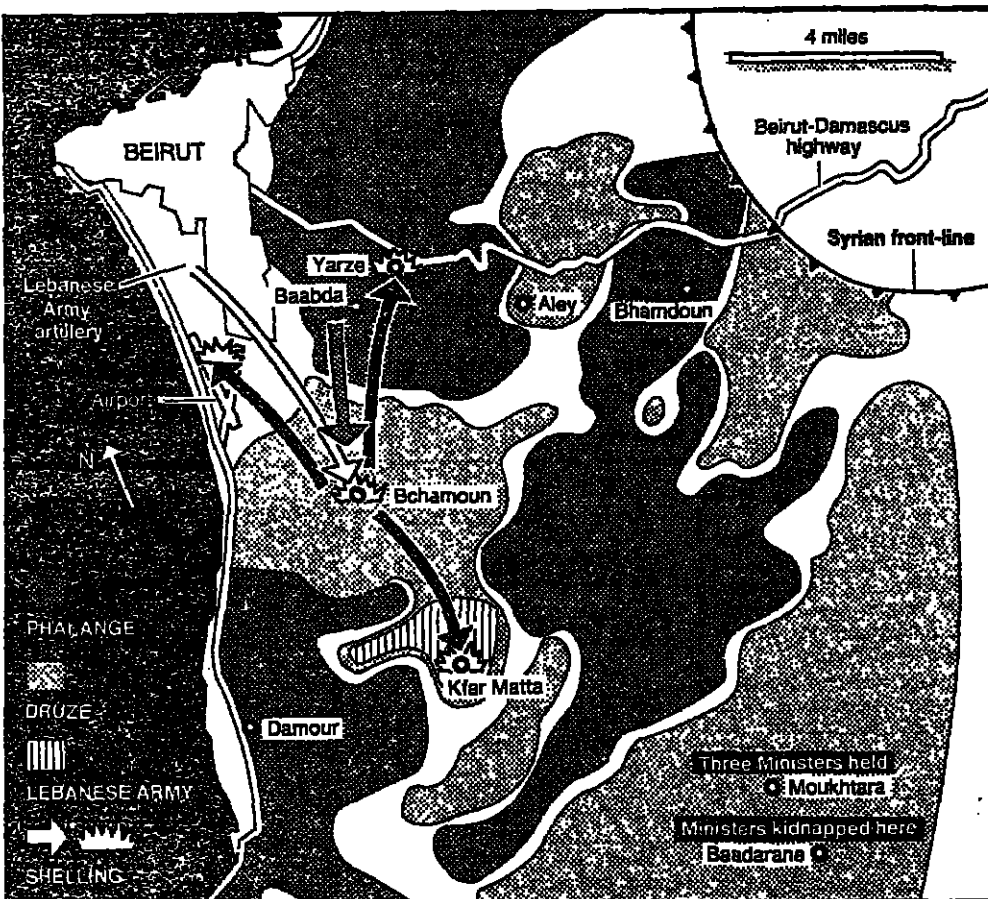
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## Israelis on currency buying spree

From Christopher Walker, Jerusalem

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## Eastern Scheldt barrage: Memories of 1953 flood disaster

## Dutch labour of Hercules to stem the sea

From Robert Shull on board MS Stad Zierikzee

The walls of ships' sirens cut through the calm night on the Eastern Scheldt in the south-west Netherlands, marking a unique feat of hydraulic engineering.

Dutch engineers had just faithfully completed the delicate task of gently lowering the first of 66 piers, each the size of a cathedral, to within five centimetres of their planned positions on the bed of the estuary, signalling the beginning of the final phase to the most ambitious flood prevention scheme ever undertaken by man.

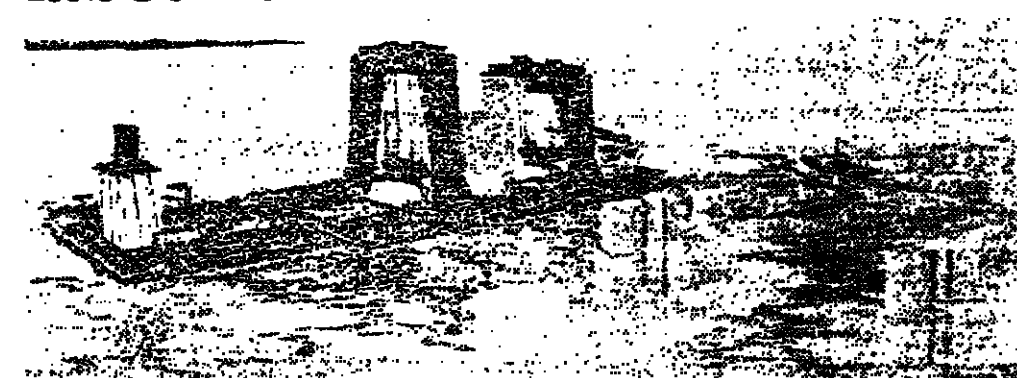
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Thirty years and thousands of millions of guilders after the floods, the gigantic scheme, is nearing completion. It has turned tidal waves into lakes and freed the islands from their isolation by providing roads to the rest of the country, over the dams across the estuaries.



Fighting the sea: The lifting barge used to transport huge piers to their positions on the seabed in the eastern Scheldt estuary to form a sea barrage.

The final estuary to be closed off is the eastern Scheldt and it has provided the biggest challenge of all. Each tide about 1,000 million cubic metres of water and treacherous currents flow through the estuary, which is about five miles wide, with sandbanks and channels up to 60ft deep.

Originally this inlet was to have been closed off entirely by a solid dam. A significant proportion of the Dutch fishing industry is, however, concentrated in the eastern Scheldt, including the famous Zeeland oysters.

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صكنا من الأصل



## Gandhi under pressure over Indian Tamil hostility to Sri Lanka

From Michael Hamlyn, Delhi

The 40 million Tamils in India are in a state of high indignation about the treatment of their brother Tamils in Sri Lanka.

Feelings in the rest of India, too, are hostile to the Government of Mr J. R. Jayewardene and to what are perceived here as his oppressive actions in banning talk of separatism, and sequestering Tamil-owned properties damaged in the disturbances.

The Indian Prime Minister, Mrs Gandhi, and her ministers are having to pursue a delicate task in their relations with the island Government. They must be seen to be taking positive action to relieve the burden of the Tamils, without transgressing the code of non-interference endorsed by the Non-Aligned Movement of which India is the proud chairman.

The inhabitants of Tamil Nadu - "Tamil-land" as the former Madras state is now called - are enthusiastic supporters of the call for Tamil Eelam, the separate state which the secessionists wish to establish in the north and east of Sri Lanka.

A march of 5,000 Tamil volunteers, who signed a pledge in their own blood not to be deterred, is on its way to the coast of the Palk Strait which separates the island from the mainland.

They will undoubtedly be prevented from doing more than jumping up and down at the edge of the sea and making faces across the water, but their action generates a genuine frisson of fear among certain Sinhalese.

The military forces in the northern province and in the town of Jaffna have a much more real fear, however. They believe that the Tamil terrorists are given aid and comfort across the strait.

According to Colonel Mike Silva, who commands the northern forces, the "Tamil Tigers" not only receive training sessions in Tamil Nadu, they also get medical treatment when wounded, sanctuary when hunted, and a market for the products of their fund-raising robberies.

One effect of the current troubles of the Sri Lankan Tamils has been the establishment in Madras of an office of the Tamil United Liberation Front (TULF), the political party representing the Tamils in Sri Lanka.

The front has had offices in Britain and in the US but never before in India. According to the sponsor of the new office, its first task will be to organize refugee camps in Tamil Nadu.

Not to be outdone, the

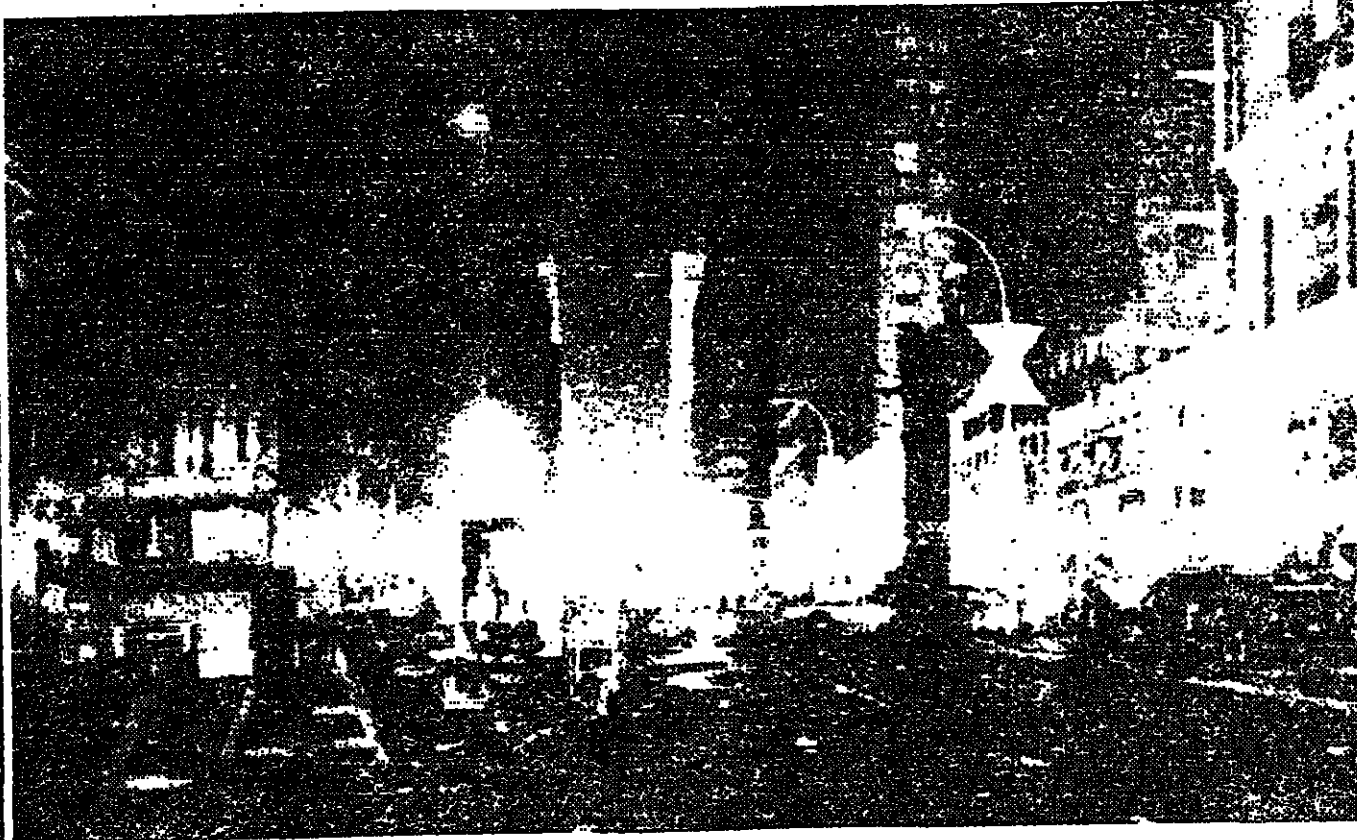
president and the general secretary of the opposition DMK (Dravida Munnetra Kazhagam) in the assembly also resigned, protesting at the central Government's failure to intervene to save the Tamils from "genocide".

The competition between the chief minister, Mr M. G. Ramachandram's Anna Dravida Munnetra Kazhagam (ADMK) and the DMK to see who can be most supportive of the Tamil cause, also has an effect at the centre.

Mrs Gandhi is compelled to take some action in support of the Tamil cause. She cannot afford to alienate the ADMK and the chief minister, whom she is thought to be trying to woo into an electoral alliance.

According to informed observers, the Indian Government's policy now is to work up the dialogue begun in Delhi this week with the visit of the Sri Lankan President's brother, Mr H. W. Jayewardene, into a series of high level political contacts.

● COLOMBO: The leader of the opposition and secretary-general of the TULF, Mr Appapillai Amirthalingam, has sent a letter to President Jayewardene, which could form the basis for top-level negotiations between the Government and the Tamil front (Donovan Moldrich writes).



## Fire blacks out Seventh Avenue

Floodlights blazing in blacked-out Seventh Avenue, New York, as emergency services struggle to restore power after a fire at an electricity substation.

The fire plunged the city's fashion industry, in the heart of Manhattan, into darkness during a vital marketing week (Trevor Fishlock writes).

With thousands of buyers in town to look at the new fashion lines, manufacturers yesterday moved their models and clothes into hotel rooms

for shows, or fixed up emergency lighting on their own premises.

The blackout intensified the chaos in what is always a frenzied week in a tightly packed and busy part of the city between 30th Street and 42nd Street. More than half of New York's 5,500 clothing makers were affected.

"It is a blow to the industry at a crucial time", one of the editors of *Women's Wear Daily* said. "But remember that this is a resilient industry and people are getting on with business. Hundreds of stores, offices and

businesses have been knocked out by the power failure, which followed a devastating fire caused by a water main bursting and short-circuiting underground transformers. The electricity company hopes to restore power by Monday.

This was New York's worst power failure for two years. It is unlikely to have the spectacular after-effects of the legendary evening blackout of the mid-1960s, which was followed, nine months later, by heavy pressure on the city's maternity wards.

## Britain tells Malta to halt Madrid stalling

From Harry Debelius, Madrid

Britain called on Malta to the European security review conference here yesterday to stop delaying the conclusion of the meeting. No further amendments to the proposed final document stood any chance of gaining the necessary consensus of all 35 participating countries, Britain said.

Mr Kevin Passmore, of the British delegation, also responded to Malta's warning last week about the danger to the Helsinki process that might result from trying to by-pass Malta and reach an agreement among the 34 remaining Helsinki nations.

He said Britain has no intention of violating the rule of consensus.

The Maltese delegation did not reply. Its insistence on incorporating changes in the proposed document to reflect its own concern on Mediterranean security, is the last obstacle in the way of final agreement.

If Malta continues to hold out past next Thursday, tentative plans to schedule the final sessions of the conference in the first week of September, with the participation of most of the foreign ministers, may have to be cancelled.

Spain, the host country, said last month that it would not have time to make the necessary preparations for the presence of foreign ministers unless the tentative plan became definite by August 25.



## Roo dollar not fair dinkum

News that Australia's new dollar coin will not be "fair dinkum" Australia has set off a storm of protest (Tony Duboulin writes). Dubbed the "Roo dollar", because of the five kangaroos on its reverse, it will be a yellow-gold colour and stamped from a blank made from 92 per cent copper, 6 per cent aluminium and 2 per cent nickel.

The coin will be stamped at the mint in Canberra but the blanks will be made overseas, probably in South Korea.

A Treasury spokesman explained that the contract would be given to an overseas company because there was no company in Australia capable of producing the base metal.

## Hectic visit to Dhaka for Yaqub

Dhaka (AFP) - Bangladesh, the country which emerged from a war against Pakistan 12 years ago, held talks with Pakistan here yesterday which were described as free and frank.

They were between the respective foreign ministers, Mr A. R. Shams-Ud Doha and Sahabzada Yaqub Khan, and covered bilateral, regional and international issues, an official spokesman said.

It was the Pakistani foreign minister's first official visit to Bangladesh. The two ministers would continue to discuss all issues of mutual concern, the spokesman said. He declined to answer queries on specific issues being discussed.

Bangladesh and Pakistan have a long list of such issues, including the question of repatriation for the remaining 300,000 stranded Bihari Muslims who opted for Pakistan after the emergence of Bangladesh, the division of assets and liabilities between Dhaka and Islamabad and trade imbalances.

## Queen is still regent, says Swazi minister

From Ray Kennedy, Johannesburg

A 15-year-old prince who is at public school in England has been officially named as the future King of Swaziland but there were signs yesterday of a bitter feud developing between factions of the royal family.

Within hours of the dismissal on Wednesday as Regent of Queen Dzelwe - known to Swazis at the *Indlovukazi* or Great She-Elephant - Prince Bhikimpi, the Prime Minister, announced that Prince Mkhosetive, when he is 21, will succeed King Sobhuza II, who died last August after ruling for 41 years.

The young prince, whose name means "King of the Nation" is the son of the New Queen Regent, Queen Ntombi, who like Queen Dzelwe, was one of King Sobhuza's 100 wives. He is attending Grechill House School, a unit of Sherborne college.

But yesterday, one of the most powerful men in Swaziland, Prince Gabbeni, the Minister of Home Affairs and head of the Defence Council, denounced Queen Dzelwe's dismissal as unconstitutional and illegal. He said that despite a notice to the contrary in the government gazette, Queen Dzelwe is still regent. She has not been replaced.

Sources in Mbabane, the

capital of the small kingdom on South Africa's eastern border, said: "It is not a power struggle in the accepted Western sense but is more about the spirit and ethos of the royal family. Prince Gabbeni feels that Queen Dzelwe's dismissal is a grave insult to Swazi tradition."

Prince Gabbeni is one of the late King Sobhuza's more than 400 sons but because he was not the only son of his mother he can never succeed to the throne. Observers noted that in naming Prince Mkhosetive as the future king, the Prime Minister appealed for the support of the Army, the police and the civil service - all of which fall under Prince Gabbeni's sphere of influence.

According to the Prime Minister, a delegation of Swazi elders will travel shortly to Britain to bring Prince Mkhosetive home and introduce him to his people. It is likely that he will complete his education abroad before returning to Swaziland permanently.

Since King Sobhuza's death the kingdom has been in a state of uncertainty over how to maintain its traditions of absolute monarchy in the face of growing demands by educated younger Swazis for a constitutional form of government.

## Britons decide against caning appeal

By Rodney Cowton

At least five of the six Britons who have been sentenced to long terms in prison and to receive hundreds of strokes of the cane have decided not to appeal against their sentences.

They were visited in jail on Wednesday by Mr Douglas Scrutton, a British Embassy official and the Foreign Office said yesterday that they had decided not to appeal.

The sentences were imposed last Sunday after the six men had admitted offences involving alcohol, which is banned in Saudi Arabia. The Foreign Office is expected to obtain official confirmation of their sentences, and of the charges, when an official goes to the court in Riyadh tomorrow.

It is believed that the charges related to alleged plans to take large quantities of whisky into the country.

## Birth rate soars in Hongkong refugee camps

From Richard Hughes, Hongkong

A soaring birth rate in Hongkong's crowded camps for Vietnamese refugees still awaiting resettlement, has become a serious problem, it was admitted at the closing 1982-83 session of Hongkong's Legislative Council or parliament.

There were 544 births in the camps between July last year and last June, boosting the refugee population by 4.3 per cent to 12,000. In the preceding 12 months, the increase was 466 or 3.3 per cent. Hongkong's population increase last year was 1.7 per cent.

Mr Patrick Williamson, the acting security minister, pointed out that Caritas, the Roman Catholic welfare organization, had introduced "a family life education programme" into one central camp "not only for married couples."

# Get on famously on the Glorious Twelfth.

Quality in an age of change.



## SPECTRUM

Michael Cimino was responsible for the true-life Hollywood disaster of *Heaven's Gate*, which cost \$40m and brought a major studio to its knees. In London for a second opinion, he talked to Nicholas Wapshott

## Sympathy for the bedevilled

The history of Hollywood is strewn with expensive failures. Erich von Stroheim's *Greedy* of 1923 began as an extravagant, 10-hour epic, only to be cut down on Irving Thalberg's orders to a mere two-and-a-half hours. Sam Peckinpah's *Major Dundee* ran into similar trouble in 1965, causing him years without work until he bounced back with *The Wild Bunch*. But no recent flop has so caught the imagination as the story of Michael Cimino's *Heaven's Gate*. It has become a byword for disaster, the most notorious example of a young director, given his head and showered in money, turning in a grandiose, unpopular, unmarketable turkey.

This week Cimino flew into London to introduce, for the first time in Britain, the original, uncut version of *Heaven's Gate*. Four days of screenings at the National Film Theatre this weekend will be the latest event in a slow campaign to have the film reassessed. Already the full-length print has been seen in Venice and Rome. In Paris, so many wanted to attend the single showing at the Palais Chailiot that the doors of the Cinéma-thèque were unhinged by those left outside. They burst into the auditorium and demanded that the film be restarted from the beginning.

Meanwhile, in the United States, Z Channel in Los Angeles, a pay-television cable network, has screened the complete version to record audiences at a record price. The film has also just opened on cable in Canada. Slowly, *Heaven's Gate* is at last finding an audience.

The quiet revival of what was thought to be a dead film has succeeded through the love of filmgoers to "discover" a lost epic and the solid support of Cimino and the others who worked on it. Cimino explained: "I think that most of the people who made the movie have never broken faith with it. That comes as a surprise. Many people would prefer *amici culpa* 'show us your stigma and we'll forgive you from us, but neither I nor the producer, nor the actors, nor the crew has regretted making the movie.'"

It was three years ago that Michael Cimino became the laughing stock of Hollywood. His rise and fall in the movie business was predictable and traditional, a familiar storyline followed by dozens of cinema celebrities before him. He found himself in the good company of those, like Orson Welles, Charles Chaplin, von Stroheim and others, who enjoyed the fruits of success only to have their work and talents abused with the speed of one of those montages of swirling calendar dates and newspaper head-

lines that make a cinematic short-cut between riches and rags.

He had started out as a screenwriter of promise and came to the attention of Clint Eastwood, who provided him in 1974 with his first feature as director, *Thunderbolt and Lightfoot*. Then, with his second film, he struck gold. *The Deer Hunter*, about three Vietnam veterans, swept the Oscars, including Best Film and Best Director. Cimino was the hottest property in Hollywood and Hollywood responded in the time-honoured way, United Artists, the owners of Francis Coppola's less obviously successful Vietnam epic, *Apocalypse Now*, and made an offer he couldn't refuse.

Cimino would be allowed to make a film of his own choice. The budget would be substantial and it was made clear that there would be no trouble at head office if it turned out that he needed more. He would be granted total artistic licence and there would be the minimum of interference. Even the senior executives of UA would forego their usual alarm mechanism of seeing the daily rushes. In short, he was given enough celluloid to hang himself.

Cimino decided to revive the Western, a type of movie which had fallen from popular favour. He would base it upon the Johnson County Wars, a little-remembered incident of US history in which stockholders took the law into their own hands in the systematic murder of 125 immigrants accused of stealing cattle. He hired the most fashionable actors of the times: Christopher Walken, the Russian roulette-playing star of *The Deer Hunter*; John Hurt, the Englishman from *Midnight Express*; Isabelle Huppert, the French beauty from Claude Goretta's *The Lacemaker*; and Kris Kristofferson, the singer.

The cost of Cimino's perfectionism became a great source of film-world gossip. All the sets and costumes were based on contemporary photographs. All the hats were hand made. All the location work was in remote areas, often meaning the cast and crew driving four hours to and from work each day. Two hundred thousand tons of Fuller's earth was spread about the key location to simulate mud. A steam train was brought across five states on a railway wagon.

There were other extravaganzas. Members of Cimino's old fighting unit, the Green Berets, were hired to teach actors how to handle firearms "not as a prop but as a lethal aid". When Mansfield College, Oxford, stood in for nineteenth-century Harvard, a treeless quad had erected at its centre a huge oak, which had been bought, cut up,



Cimino on the set of *Heaven's Gate*: an offer he couldn't refuse.

numbered, then reassembled. The size of the cast swelled into four figures as the number of extras was spontaneously doubled or tripled. All the interior shots were photographed through a chemical smoke-screen for period effect, causing costly retakes to match previous footage. Cimino, engrossed and working around the clock, rode about in a Jeep, oblivious to the fact that he was riding for a fall.

For reasons unconnected to Cimino or the *Heaven's Gate* project, the press and public had come to hope that one of a number of wildly expensive films made by young directors, whose precocity had been rewarded by high budgets and low accountability, might come a cropper. One after another, the wobbly films arrived: Steven Spielberg's *Pearl Harbour* comedy, 1941; Martin Scorsese's 1940s musical romance, *New York, New York*; Francis Coppola's *Apocalypse Now*. Each had teetered but not quite fallen. When *Heaven's Gate* loomed into view with a budget of \$40 million, it looked as if it had been set up to fall over. There was a ready appetite for a disaster of Titanic proportions.

Today, Cimino prefers not to become involved in recriminations. "I think it was probably connected with the success of *The Deer Hunter*, but in order to understand it you have to understand so many things other than movies." He would have liked to have

had time to cut and edit at leisure. "There was no time for previews. There was great pressure from inside United Artists to get it out. I expected that it would open at two small cinemas, in New York and LA, and that I would be able to change things, like Kubrick did with *2001*. But it was made into a conspicuous event."

The build-up had been so considerable that the press could not resist pronouncing. Cimino flew to New York for the press show and watched the film crumble before his eyes. The press smelt blood and leading the pack was Vincent Canby of the *New York Times*, usually the gentlest of critics. He wrote: "You might suspect Mr Cimino sold his soul to the devil to obtain the success of *The Deer Hunter* and the devil has just come around to collect."

The verdict was unanimous and merciless. *Heaven's Gate* jokes became the latest thing. Cimino and his producer, Joann Carelli, the uncredited producer of *The Deer Hunter*, begged for a reprieve. They asked their bosses at United Artists to withdraw the film from public view so that they could continue work on it. After a bare week in New York, the film was recalled.

Did the abuse and gloating hurt Cimino? He answers the question with absolute dispassion, as if his raw feelings had been soothed by a "think positive" therapy. "I am for the most

### The cost of Cimino's perfectionism became a great source of film gossip

part unaware of those critics. I went straight back to work. I try not to read too much criticism, but in this case there was no time. We were still at work after the original opening. There really didn't seem to be much point in reading it. What I was told didn't seem to be about the movie or myself, but about some other movie and someone else."

Several months and a futher \$10m million later, Cimino was ready with the second version, cut by an hour but even less coherent than the original. By the time of its second coming, most people had become bored with the whole affair. It opened to apathy and didn't last.

"One of the things that is disturbing about that sort of reaction has to do with all of your colleagues. For instance David Mansfield, who wrote all the music. He played the boy with the fiddle on roller skates in the film. It was his first time and it was a superior score."

Vittorio Storaro, who photographed *Reds*, said to Vilmos Zsigmond, who worked for me, that he thought Vilmos was bound to take the Oscar for *Heaven's Gate*, but you do not like to see your own people not getting work."

Does he regret the way it all turned out? "No, I do not have regrets about the work that I do. You cannot work that way. It is a bit like being in the army. There are no excuses, no complaints. You cannot be effective if you are always looking back over your shoulders. There is an old Arab saying 'The blow that doesn't break you strengthens you'. And who is there to be angry at?"

Cimino has not directed a film in the three years since *Heaven's Gate*. Many projects have been mentioned, but none have come to fruition. It was suggested that might direct the latest remake of *Mulvey on the Bounty*, which his hero, David Lean, had turned down; the plan did not work out. And he is reluctant to be drawn on his current work, which he simply calls "a project for Columbia."

"Other directors work on a number of projects at the same time, some of which might work out, and they can talk about them. But if I say anything, it is all over the newspapers. It is a bit dismaying because I am treated in the press more as an actor than a director. A director should be invisible."

And he insists that he is still a director and writer and has been working solidly since the debacle. "Time and time again we have seen musicians and artists suffer similar criticisms to that which I have received for *Heaven's Gate*, but they keep working, they keep writing, they keep painting and, if they are lucky, the work endures. Finally, that's what it is about. It sounds like a cliché, but work is the reward."

*Heaven's Gate* is being shown twice daily at the National Film Theatre tomorrow, Sunday, Monday and Tuesday.

moreover... Miles Kington

## Grousing about the Twelfth

From Lord Disgusted  
Sir, Many people mock the concept of grouse shooting as old-fashioned and behind the times. But this year you will have read that there are very few grouse left on the moors and that it will be a lucky shot who bags a pair, or pairs a bag, or whatever the expression is. This proves that grouse shooting does work. We have almost exterminated the little pests. Another year, and perhaps the Scottish highlands will at last be free from these cunning, evil-minded little blighters. Keep shooting!

From Lord Whorl  
Sir, I read that as grouse are now so rare, many owners of grouse moors are thinking of turning their property over to forestry. As one who did so 10 years ago, may I be permitted to comment?  
Our experience is that although people find it strange at first shooting at trees instead of grouse, they come to enjoy it very much. Foreign businessmen who have come to Scotland year after year without hitting a single grouse suddenly discover that shooting at and winging a tree is comparatively easy, and of course the tree does not die. Ignorant quarters say that hitting a stationary tree is not sportsmanlike: the truth is of course that on all but the calmest days the trees blow about a lot and it still requires skill to bring down a young larch or spruce.

Our season, too, starts on the twelfth, and we shall enjoy the usual race to be the first to bring the season's first pine needles to a London restaurant. Last year, by the way, I shot at and missed a young fir on the opening day, but brought down a pair of grouse sitting in the branches!

From Mr J. G. Lavoisier  
Monsieur, As usual we shall be taking part in the race to be the first people to bring a London restaurant up to the Scottish moors to serve a grouse on the Glorious Twelfth. At midnight on the eleventh, we at the Petit Bistro de Chez Jean shall be air-lifting our little *boute* by helicopter and flying it through the night to Scotland. By dawn we shall be in position in Glenbutler near Loch Rannoch and open to serve grouse all day. If no grouse are available, we shall be serving freshly shot trout and salmon. Looking forward to seeing you all!

From Colonel Waggoner  
Sir, I might have known it. Every year, as regular as clockwork, we get so-called satirical comments from such as your columnist Miles Kington (is that really his name?) about the noble sport of grouse shooting. How many times do I have to explain that without the dedicated breeding and conservation of those concerned, there would be hardly any grouse left? Shooting is conservation.

If you then ask me how it is that there are hardly any grouse left, my answer is: I do not know. But that is quite beside the point.

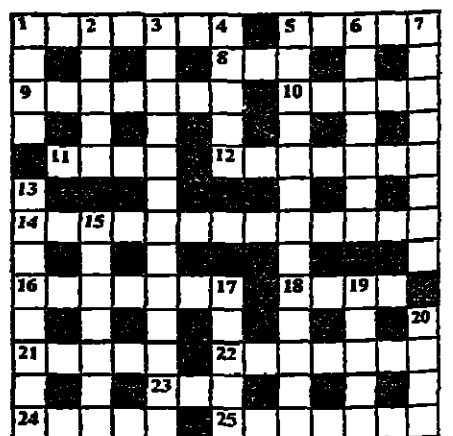
From Henry the Talking Avocet  
Hello darling! Your old friend Henry here, halfway through his summer season at Lowestoft or Skegness or somewhere, and my goodness the crowds have been flocking this year to see me in my spectacular production of *Scagulls Over Sorrento*. But enough of me. I just wanted to reminisce briefly about the one time I got involved in the grouse shooting season.

In 1978 I was in Scotland to see a rather charming parramag with whom I was conducting a passionate but short-lived *affaire scandaleuse*, and on August 12 we happened to be out on the moors when all hell broke loose. Not since a cabaret tour of the Lebanon had I felt so at risk.

Keeping my head, I infiltrated myself among the beaters and cried out in my best Knightsbridge accent: "Aim at the trees over here, you chaps!" The result was gratifying. Six beaters shot, two winged and Lord Strathconmy driven round the bend. Yes, a good day's sport all round.

If a certain young quail named Yvonne should chance to read this, may I make it quite clear that all is over between us? You may keep the ring if you like, it is only from the top of a larger tin.

### CONCISE CROSSWORD (No 124)



- ACROSS  
1 Loudness measure (7)  
5 Aspirins (5)  
8 Space mystery (1,1,1)  
9 Smarter (7)  
10 Practice (5)  
11 Second in series (4)  
12 Lefthand drink (7)  
14 Without feature (13)  
16 Image boosting project (3,4)  
18 Too (4)  
21 Extreme (5)  
22 Unite with oxygen (7)  
23 Charge (3)  
24 Endow (5)  
25 Custardlike food (7)
- DOWN  
1 Cheap bed (4)  
2 Profane oath (5)  
3 Bachelor's degree (13)  
4 Stagger (5)  
5 Burglary (13)  
6 Babble (7)  
7 Walk by (4,4)  
13 Time plan (8)  
15 Miscarried (7)  
17 Deputy's function (5)  
19 Usual chaos (5)  
20 Crooked (4)
- SOLUTION TO No 123  
ACROSS: 1 Mousing 5 Thrill 8 Err 9 Effort  
10 Advice 11 Impl 12 Own Brand 13 Focals  
15 Jogger 17 Intercourse 20 Neon 22 Abduct  
23 Avenue 24 Elm 25 Ascend 26 Sugar  
DOWN: 2 Oxfam 3 Ivorys 4 Get home 5 Train  
6 Rover 7 Licence 8 Omnibus 15 Jimjams  
16 Ginseng 18 Eude 19 Cited 21 Otter  
(Solution to No 124 on Monday) Recommended dictionary is the New Collins Concise

## Taking the red tape road to Turin

Robert Moreland, Euro-MP for Staffordshire East, recently travelled across Europe in the cab of a long-distance lorry to see how the European Community looks to the men whose daily business is crossing borders. Here he tells Patricia Clough of the endless waiting, the red tape and the corruption in a Europe supposedly dedicated to free and unrestricted travel.

It was about dawn on Monday, July 18 as I set out from Tilbury in the co-driver's seat of a 32-ton articulated lorry bound for Turin. Beside me was Monty Murrell, an experienced long-distance driver who did the run regularly. Behind us was some £80,000 worth of mixed freight, ranging from radio-cassette recorders to titanium dioxide, which we had to deliver in France and Italy.

For four years I have sat on the transport committee of the European Parliament, battling with the mass of different rules and regulations, the vested interests and other problems which when it comes to transport still prevent the Common Market being a common market. Now I wanted to see for myself what really goes on at the Community's internal borders. It was even worse than I feared.

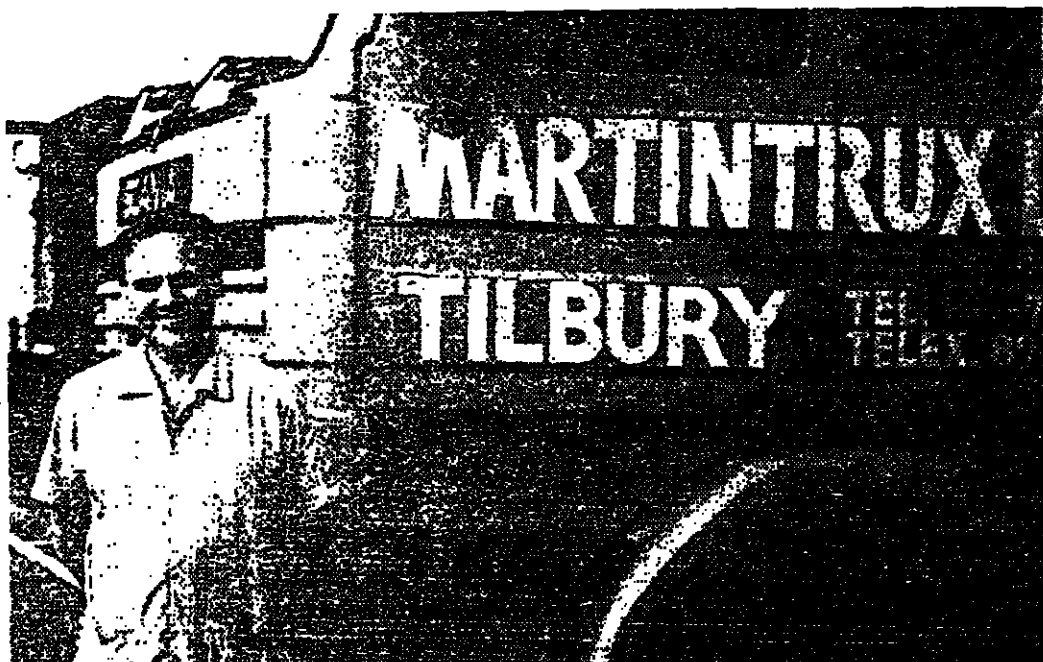
The first incident happened before we had even left Britain. At Dover the Customs asked to see a consignment of photo-chemicals imported from the United States but bound for France. The officer just looked at the boxes, not at the content. It was a short delay, but it meant we missed the boat. We had to wait 90 minutes for the next ferry and consequently failed to reach the French customs clearing house near Paris that night. Think of the cost of such a delay which ties up a £50,000 lorry and a driver earning £300 a week plus expenses, then

multiply it by the thousands of lorries that this must happen to each week. I could not understand why the Customs officers wanted to see the boxes, since the documents clearly said the tax would be paid in France. When I asked, I received a blank stare.

In Calais the formalities only took a minute, but we came across the first annoying rule - lorries are not allowed to enter France with more than 200 litres of fuel in their tanks. Some vehicles can hold four times as much. In Germany, it used to be only 50 litres, which is very little for a lorry using up one litre per mile.

Drivers have to calculate all this before they reach the border. At Calais they only looked at our gauge, but they could have checked with a dipstick, causing more delay and trouble. Also different countries have different maximum weights, and often drivers have to unload some of their freight at a border before they can go on.

We parked for the night in the yard of the Paris clearing house. Next morning it took about three hours to get through all the paperwork. The papers needed for the journey made up a really thick folder.



Robert Moreland: cigars, but no whisky for the Italian passport officials.

have declared it illegal. Then you have to have a permit to drive the lorry through France. Germany and Italy insist on permits. They are issued on a quota system and there are never enough, so some drivers travel illegally. The European Parliament wants many more permits, but Germany especially is against it because it wants to channel freight on to the railways. Then there are T-forms - T for Transit - one for each type of goods carried, six copies of each. On the

return journey we carried machine tools. Each tool and each individual type of drill attachment had to have its own T-form. Of course the log-book, passport and insurance all have to be in order.

At the Italian border the passport official asked if we had any cigarettes. Monty gave him some cigars. I asked what would have happened if he hadn't given him anything. "He would have made us wait a quarter of an hour," he said. A second official then asked for

cigarettes or whisky. But this time Monty refused. He explained later that this was a test - a driver without a permit would have felt obliged to give something to the official. If the customs man had been tipped off that the driver was illegal, he would have asked him for a large sum of money. But Monty's papers were in order.

The Turin clearing house is surrounded by a mass of rusting vehicles, some with British number plates, impounded for some long-

forgotten misdemeanour and written off by their owners.

We were lucky by Turin standards; we only had to wait four hours. The Italians insisted on us going through the whole clearance process again as we were leaving, though why I cannot imagine. You would think they would be glad to export their goods. The French did not care about us on the way back, but we had a four-hour wait at Dover because it was busy.

I was astonished not by the mountain of paperwork involved in the journey, but by the amount of time wasted at customs' posts. During the week we spent a total of seventeen and a half hours waiting at customs' offices. The Commission estimates that these delays alone cost £600m a year. Customs duty has been abolished; the delays are caused by working out the differences in VAT and excise duty in each country. Not one official asked to look at our load.

So much of that paperwork could be reduced by inter-connected computers and data processing. One suspects that the officials themselves are resisting such changes; inevitably they would mean fewer jobs. France must be told to stop demanding the *Carnet de passage* risk being bailed before the European Court of Justice. We must put a stop to the permit system, it is an encouragement to bribery and corruption.

All the drivers I spoke to complained that no one ever takes any notice of their problems. If the EEC's transport ministers and officials could see what things looked like from the cabin of a lorry, perhaps those problems would be dealt with.

مكتبة الأصل



## FRIDAY PAGE

# Drugs ring with a difference

**Jenny Bryan examines the curious route taken by British drugs from manufacturer to chemist, a route costing the NHS about £50m a year**

Information on drug packaging can be confusing at the best of times. If it is in French or Italian, it becomes incomprehensible. But more and more drugs manufactured for people on the Continent are finding their way on to the British shelves because it is cheaper to import them from Europe than to buy them in this country. And it is probably costing the Department of Health and Social Security £50m a year.

The practice of importing cheap drugs has arisen because of the enormous price differences around the world. In some cases, British-made drugs are actually reimported to Britain because they can be bought so much cheaper in Europe. In other instances, drugs get into Europe from the Far East and eastern Europe, are repackaged and brought to Britain with French, Belgian or Italian stamps on them.

Anyone importing a drug to Britain needs a product licence and normally it is only the manufacturer who holds such documents. A loophole in the law, however, allows people without licences to import small quantities of drugs which are not available in Britain but are needed for individual patients.

In the last year the practice of "parallel importing" cheap drugs has increased dramatically. Wholesalers found an unexpected ally in Brussels, since EEC legislation encourages free trade in drugs across the borders of member countries. The DHSS made a brief effort to curtail the practice, but discovered it would be breaking EEC law if it did so.

Parallel importing is reckoned to be costing the DHSS £50m a year. This is because pharmacists who buy cheap imported drugs do not pass on the results of their good housekeeping to the NHS. When putting in their accounts to the DHSS for reimbursement of the cost of buying drugs, they charge the department the full recommended British price.

The DHSS recently announced that it would claw back the estimated 6 per cent profit which pharmacists are known to make from buying drugs from the big three British wholesalers who do not import drugs. But the DHSS has not tackled the 20-25 per cent

profit they are reckoned to be making from imported drugs.

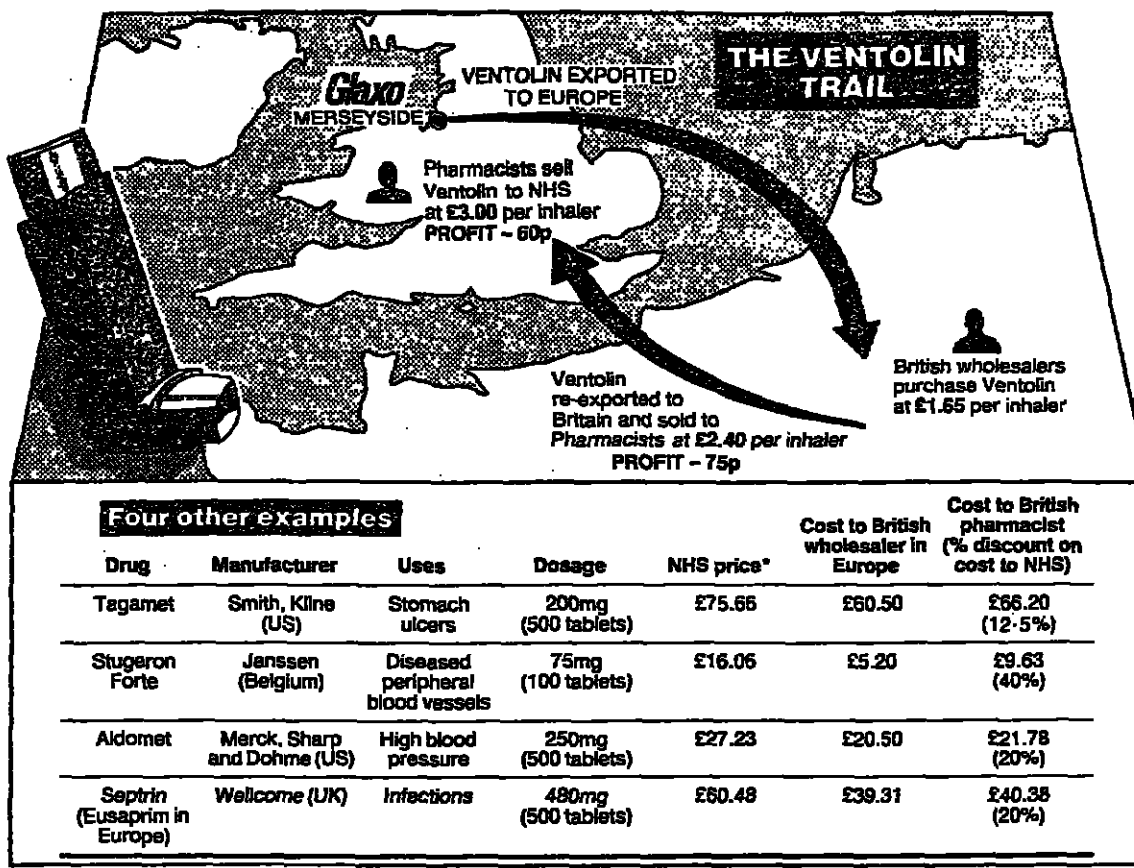
Feelings run high over parallel importing. Drug companies selling in Britain deplore the practice because of their loss of earnings. Pharmacists' representatives are worried because of the risk of pharmacists being held responsible for drug accidents. Repackaging of drugs in Europe or in Britain often makes it difficult to find the manufacturer so pharmacists, as the last traceable link, could find themselves liable for any serious side effects of the drugs.

Both companies and pharmacists are especially nervous about drugs which come into Britain from outside Europe and may have been stored under highly questionable conditions. The importers insist that they know their sources and can guarantee the quality of the drugs they bring to Britain. But as with any commercial venture, there are always cowboys who make their money and conveniently disappear.

Drug companies do not sell their products more cheaply in Europe from choice. France, for example, introduced tough controls on drug prices which prevent companies from charging at British levels. The industry argues that such measures stifle investment and hence research and development of new drugs.

Recently Mr Norman Fowler, the Health Minister, announced a 2.5 per cent cut in British drug prices, and further controls on the profitability of the industry are expected. A leading parallel importer in the North of England said he found the present cut derisory. "It won't make a scrap of difference to parallel importing," he said. "We are open to a 5 per cent negotiation on our prices to pharmacists and other wholesalers: 2.5 per cent is nothing."

Both the drug industry and major wholesalers who do not import cheap drugs have urged the health minister to crack down on parallel importing. Any further package to control drug prices in Britain may include a curb on importing which will make the total deal more palatable to the drug industry. In the meantime, drug sales in Britain are as subject to vagaries of the marketplace as the fruit and vegetable stall or the car industry.



## The parallel path to profit

Ventolin is the most commonly prescribed drug in Britain. Most of this country's two million asthmatics will probably take it some time in their lives. Its manufacturer, Glaxo, is not the only one to benefit financially from its success. Ventolin is on the best seller lists of a growing army of people buying drugs cheaply in Europe, importing them to Britain and selling them for profit to pharmacists.

Only Glaxo at one end of the deal and the NHS at the other lose out. Both the wholesaler and the pharmacist make money through "parallel importing" of drugs. Ventolin leaves Glaxo's Merseyside factory stamped with the company's batch numbers and guarantees of quality and safety, ready for export. It is transported to the Continent and stored in the warehouses of Glaxo's subsidiaries.

Wholesalers can buy the drug and sell it in turn to hospitals and chemists, or they may pass it on to British wholesalers with bases on the Continent. They then reload the

Ventolin back on to trucks and head for the English Channel. The drug, having had the dubious pleasure of a trip round the European country-side, arrives back in Britain a few weeks after it leaves. The only difference is its price.

In Britain the basic cost of a Ventolin inhaler to the NHS is £3. In Europe, British wholesalers involved in parallel importing can buy it for just over half that price: £1.65. They pay the cost of transporting it back to Britain and then charge pharmacists working in local chemists £2.40. The pharmacist charges the NHS the normal recommended price - £3. So he makes 60p on each inhaler and the importer makes 75p.

It may not sound a great deal of money, but that saving is on just one inhaler of one drug. The cost of parallel importing as a whole to the NHS is reckoned to be £50m. Some companies are known to have bigger worldwide price differentials. These include Glaxo, Merck, Sharps and

Dohme and Wellcome. Others, such as Smith, Kline, do not.

Parallel importers like to trade in Ventolin because it has a fast turnover. They can make more money on other drugs, but may not be able to sell them so quickly. Stugeron Forte, for example, is used to dilate blood vessels in the arms and legs. It is made by Janssen a Belgian company, and costs in Britain, £16.06 for a pack of 100 tablets. In Belgium it can be bought for just over £5, brought to Britain and sold to pharmacists for around £10 - a massive 40 per cent saving on the official NHS price.

Other highly profitable drugs are Adalat, used to treat angina. Aldomet for high blood pressure and Zyloric, for gout. Price reductions depend on how much the pharmacist is buying and how quickly he can pay. But he can make an average saving of 20 to 25 per cent - three to four times that available from the big three British wholesalers who do not practise parallel importing.

## TALKBACK

### Undercover security

From Mrs Eleanor Tobia, Glencairn Drive, Glasgow

Last Saturday I set off alarm bells in a department store, as happened in the article about being wrongly accused of shoplifting. I was carrying a large carrier bag which contained at least eight items of clothing I had bought during the morning.

As I came off the escalator on to the first floor the security bell rang and I was approached by two members of staff. I think I may have been lucky as they were extremely polite, helpful and reassuring. My innocence seemed to be presumed.

After a long search which revealed no tag (I began to think I might be bionic they took each item and passed it through the alarm beam till at last the trousers were declared belonging to the same group).

Eventually from the very bottom of a pocket there emerged a piece of card with a serrated edge. Problem solved.

I can't complain about how the incident was handled but it's worrying nonetheless. It could happen to someone less confident than I was. And can one be sure that every security tag had been removed if they bury them deep in a pocket?

From Mrs Cilla Paget, Westcott Road, Old Town, Swindon, Wiltshire.

The recent article by Maureen Park on the misery of being wrongly accused of shoplifting surprises me. The attitude of the lady and the tone of the article seem to be one of the righteous indignation for an event which was untidy, through unfortunately, of her own making. She demands apologies from the shop management where, I would have thought, apologies were due from her. Would there not have been a "regrettable breakdown in the system" if she had walked out with the T-shirt?

From David Lintott, Selbourne Road, Sheffield.

You may be amused or even concerned to know that the day when your First Person article by Maureen Park concerned her wrongful arrest for shoplifting, I was myself accused by an over-zealous employee of one of our major bookshop chain stores.

On leaving the shop, having bought nothing, I had under my arm a copy of *The Times*, and felt the heavy hand of pseudo-authority descend upon my shoulder.

Somewhat with tongue in my cheek I allowed myself to be marched to the manager's office, when that individual became almost apologetic at my silence. I invited him to examine the back page of the paper where I had (almost) com-

pleted the crossword in the train en route to the office this morning. Incidentally, what was 9 across?

### Pension board

From Mrs Anne Harris, Chairman, National Federation of Women's Institutes, Eccleston Street, Victoria.

Margaret Drummond's article, "Beware the Small Print," highlighted the little-known areas of discrimination in pension schemes. The problem has two roots: the historical attitude to women's earnings as insignificant pin-money, and the continuing discrimination in the state scheme.

Insufficient women's wages may too often be, but they none the less make an important - and sometimes the only - contribution to their household's budget. The actuarial insistence on regarding women's incomes as in some way different from men's is nicely summarized by Robin Ellison, whom you quoted. We should be thinking, as he said, not of men's and women's distinctive needs, but of people's needs.

The fact that the Government refuses to do this in the state scheme, and moreover has made pensions an exception to the terms of the Sexual Discrimination Act is the other side of the problem.

The Occupational Pensions Board, reasonably enough, takes the line that occupational schemes should not be required to provide benefits which the state does not itself provide. This means that the onus in improving the position is on the institutions which set up the schemes, on the employers and on each of us as employees, to see the women and men are treated equitably.

It was in the light (or should I say "the dark") of this inequity that our AGM of the National Federation of Women's Institutes passed, by an overwhelming majority, a resolution urging the provision of equal spouses' benefits in occupational pensions schemes.

From R W Farrington, Marsham Court, London SW1.

Your Wednesday Page article makes the familiar point that women are commonly hard done by in not being able to secure for their husbands an entitlement to widowers' pensions.

It would be as true to say that employed men are generally quite as hard done by.

Contributing as I do, as a civil servant, towards the pension to be paid during the hypothetical widowhood of my non-existent wife, I feel the disadvantageous inequality to which the article refers to bear much more on the male sex.

## How to claim benefit and keep the Rolls

Company directors whose firms go into liquidation leaving nothing for a golden handshake may be relieved to learn that there is a possibility that they can hang on to their Rolls-Royces, Cessnas and Camper and Nicholson's and still claim money from the state.

The occasions will, of course, be rare, as is made plain in the S Manual of instructions to supplementary benefit officers, which is now published in fulfilment of the Government's pledge to make the rules public.

No-one can receive supplementary benefits if he has capital of £2,500 or more, rising to £3,000 in November. But deciding what counts towards that capital limit is one of the tasks facing supplementary benefit officers when faced with an initial claim.

The S Manual tells them that

### COMMENT

ordinary personal possessions, like a house and furniture, are not to be taken into account. But the value of possessions like paintings, jewelry or a vintage car are to be counted if bought instead of putting the money into safe investment places, like deposit accounts or building societies. The S Manual says dryly "This is likely to arise only very rarely."

In such cases, it is not the value of the possession that counts, but the intention when it was bought. The reverse is true of luxury items that are incompatible with the standard of living of other people on supplementary benefit.

It would be unreasonable to disregard the possession of a very expensive car, a yacht or an aircraft, the manual says. Nevertheless, if they were bought before the claim for benefit was made - and it could hardly be otherwise - and benefit has been paid for less than a year, then what has to be considered is whether possessing the Rolls is compatible with the living standards of other people with a similar lifestyle or job.

Even if the supplementary benefit officer decides that the former company director was living only up to the standards of his peers, but it would be unfair to disregard the Cessna, there is still a let-out clause. If it would take time to realize the asset, he must consider whether to make an urgent needs payment to tide the claimant over.

It is different at the other end of the scale. Supplementary benefits

are supposed to be sufficient for normal clothing and footwear and, except in cases of exceptional hardship, lump sum grants are no longer payable to replace them.

But if items regarded as essential are damaged, destroyed or stolen, lump sums can be paid to replace them. The manual says two pairs of shoes per person are essential.

The rules cover all kinds of other obscure cases, including instructions on how to deal with claims from a polygamous household. In that case, the second or subsequent spouse is to be treated as needing to live on the difference between the rate for a couple and a single householder: an amount that works out at less than the normal rate paid to an 18-year-old school leaver still living at home.

Pat Healy

Social Services correspondent

### MEDICAL BRIEFING

#### Watch the water

Dr William van Heyningen, former Master of St Cross College, has recently retired from the Oxford School of Pathology and the US National Institute of Health Cholera Advisory Committee and the Cholera Research Laboratory at Dacca, but has remained as outspoken as ever over the problems of gastrointestinal infections.

Travellers and tourists in his view catch typhoid, cholera, food poisoning and many forms of hepatitis because they eat or drink other peoples' sewage. Inoculations may be helpful against some diseases, but as a precautionary measure they can never replace the need to be careful about food and drink. He advises that except in exceptional circumstances care should be taken to eschew uncooked foods including salads, even washed fruit can have its dangers as it is impossible to know whether the water was clean. Melons he views with particular wariness as in some places it is the local custom to make them heavier by injecting water, or as he prefers to call it, very dilute sewage. Oranges, lemons and bananas he will take.

Other points to watch are ice added to drinks, water, soft drinks bottled by little known firms, ice creams and shellfish, which have an ability to concentrate micro-organisms in the body.

One of Dr van Heyningen's major interests has been in cholera control; he feels, and most experts agree, that the present cholera infection is practically useless; it stimulates antibody formation in the wrong parts of the body. Cholera is a disease of the intestines and it is in the intestines that the antibodies must be operative. Doctors are now working on a vaccine which can be given by mouth and which will provide the resistance where it is needed.

Typhoid infections are still

considered useful, particularly against water-borne infections, although they are not always quite so effective when there is a larger dose of germs taken in contaminated food. All tourists going to less hygienic parts of the world are recommended to have this injection, particularly if, unlike Dr van Heyningen, they are not determined to eat their meals, except the occasional curry, in a five star hotel.

#### Safe drug

This year it may not be a glorious twelfth on the grouse-starved Scottish moors, but it is for your friendly neighbourhood pharmacist who always feels frustrated that he spent many years learning pharmacy, only to find that when qualified his income is dependant on the sale of hot water bottles, lipstick and cameras.

As from today the pharmacist will be able to supervise the sale, without a doctor's prescription, of a powerful, but safe drug, ibuprofen. It is one of the post-war, post-aspirin, non-steroidal anti-inflammatory drugs, invaluable in the treatment of various forms of rheumatism, muscular aches and pains, and headaches. Some of this group, including ibuprofen, are very useful for treating painful periods.

Professor Stuart Adams of the University of Nottingham, who also works for Boots Research, says that it has been on prescription since 1969 and has proved a very safe drug for people of all age groups.

Sales of ibuprofen, which will be sold to the public under the trade name of Nurofen, one unlikely to be affected by the adverse publicity engendered by Opren. Although a member of the same family of drugs, so is distantly related to Nurofen that, in the view of Professor Adams, it would be unfair to consider it even as a fifth cousin.

#### Only middling

Politics in relation to aging is, as the Prime Minister has discovered, an irrational subject. Since she has none of the usual predisposing causes for a rational view we must assume that this occurred as a complication of the normal middle aged retraction of the virtuous jelly within the eye; this is no more sign of sickness or overwork than other politicians' baldness, greying or corpulence.

#### Coughs and sneezes....

Mothers who spend the winter months writing sick notes explaining the absence of their children from school may be glad to hear that science confirms their suspicions: their children's coughs and colds could be related to the low temperature of some classrooms, and the dry atmosphere.

Mr G H Green from the Department of Mechanical Engineering at the University of Saskatoon has collected evidence which shows that the control of temperature and humidity in communal buildings should be precise, as when all variations are likely to have an appreciable effect on the incidence of sneezing, coughing, sore throats and fevers, but had no effect in regard to tummy upsets or urinary tract disorders. An interesting and unexplained finding was that foot infections are less common in correctly humidified surroundings.

Although most of the work quoted was written about conditions in American or Swiss schools or barracks, O M Lidwell and his team have in the past published similar findings on the epidemiology of the common cold in British schools.

Investigations have shown that there is a relative humidity which micro-organisms find particularly hostile; over or above that figure a greater percentage survive longer, not all these survivors will remain infectious, but the drying of the nasal passages as the humidity falls may encourage infection.

Dr Thomas Stuttford

THE TIMES

## Tomorrow

START THE WEEKEND WITH THE PAPER THAT INFORMS, STIMULATES, AMUSES AND PROVOKES

### In harmony: The Three Choirs Festival

An unpublished story: Daisy Ashford, author of *The Young Visitors*, on the Pope's "first visit to Britain"



Travel: Fare deals from the airlines; the Algarve; at peace in Sussex

Family money: Happy returns from building societies

Sport: Winners take all in the third Test

Plus

All the news from home and abroad: Drink on the Peter Dominic chain; Paperbacks of the month; Critics' choice of the coming week's events in the arts



## THE TIMES DIARY

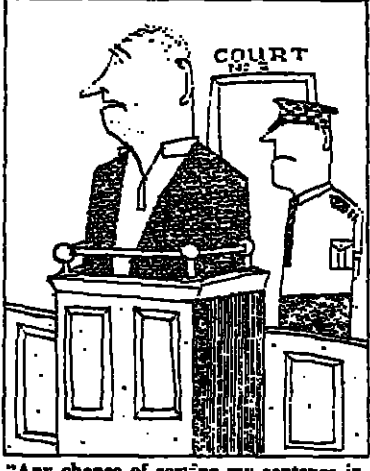
### Poll stars

Saatchi and Saatchi have just won yet another election. Margaret Thatcher's favourite advertising agency were called in at short notice to put the finishing touches to President Shuh Shuh's successful bid for re-election in Nigeria. Saatchi are getting a little blasé about such achievements. When I called to congratulate them, the account executive to whom I was connected said: "President Who?"

### Tripe in, tripe out

Sir Brian Hayes, permanent secretary at the Department of Trade and Industry, recently inspected the DTT's computer centre at Eastcote. At his last department, Agriculture, Fisheries and Food, Hayes fulfilled a similar engagement and fed into one of the computers the name of the chief regional officer who was standing beside him boasting of the equipment's capacity for storing information about personnel. The computer responded: "No such officer exists." Determined not to embarrass an underling again, at Eastcote, Hayes tapped his own name into the data system. It promptly provided him with full details of the Hayes Tripe Company.

BARRY FANTONI



"Any chance of serving my sentence in Geneva, Your Honour?"

### Labour of love

Publisher Aidan Ellis took to last year's Frankfurt Book Fair designs by Jonathan Biggs for *The Pop-Up Kama Sutra*. He sold £100,000 worth of rights in five hours. It has taken more than a year, though, to find anyone to print the book. Pop-up specialists are in Colombia (strict religious attitudes), Singapore (moral laws), and Czechoslovakia (inability to promise how many copies of anything so deliciously decadent would ever leave the factory). Finally the contract will go either to Spain or Hongkong and the book, which Ellis promises will be both tasteful and funny, should appear in October 1984.

### Poor layer

From Qatar a reader writes of a recent trip on an Inter-City 125. His order for bacon and eggs in the buffet met a refusal "because we have no eggs", followed swiftly by the offer of a bacon-and-egg sandwich. How could this be? "We do the eggs in the microwave oven and they don't look too good. But you don't see them in a sandwich."

### Tooth's gap

A missing picture of the artist's wife is being urgently sought for the first full-scale exhibition since 1960 of the work of Sir Matthew Smith, whom Augustus John called one of the most individual figures in modern English painting. It is the only portrait Smith made of his wife Gwendoline, sister of Air Marshal Sir John Salmond. Painted in 1912, it was last heard of in 1978 when Tooth's sold it to a John Leslie who gave his address as c/o the Crown Commissioners. The commissioners have no knowledge of him. Vera Russell, who has chosen 90 paintings for the exhibition, which opens at the Barbican art gallery next month, says the tribute will not be complete without the missing canvas.

● A man called Fried in New York sells carpets. According to his shop-front fascia says: *Fried Carpets*.

### Humble pie

The great Cornish pasty competition ended yesterday, leaving the judges unanimously convinced that Mum baked better. Tesco arranged it, after their claim that their pasties were "as Cornish as they come" had excited some derision. They got 3,000 recipes, of which 10 were short-listed and cooked for the judges. The proper pasty is large, includes potatoes that are sliced, not diced, meat in chunks, not minced, pastry that is hard, not rich or crumbly, and edges curled so that tin miners with arsenic on their fingers could safely hold the crust and throw away that contaminated bit when the rest was eaten. David Penhaligon, Truro's MP who chaired the panel, said Cornish pasties were "unintentionally" After this experience he had new respect for his wife's pasties, his mother's, "and my mother-in-law's too, of course".



Those MPs still at Westminster are competing to obtain newly-designed House of Commons envelopes, which are much more distinguished than the old type. They now have the Commons porcupine in the top-left corner, but in place of the word "Official" on the right is this six-sided design of the Queen's profile, handsomely embossed in a style very reminiscent of the old penny black.

PHS

# Famine, the forgotten enemy

Food has been so plentiful in Britain for so long that a sudden disruption in supply is hard to imagine. Hermann Bondi, John C. Bowman and Jonathan Bates warn how it could happen in war – even non-nuclear

Though the linkage between war and hunger is well established, there is a tendency to forget how much starvation can contribute to the horrors that arise from a conflict. We remember the damage and death resulting from high-level bombing of cities during the Second World War to a far greater extent than the deaths caused by shortage of food. Of course, this can be partly explained by the fact that in Britain we did not suffer from shortages to the extent that real hunger resulted and that in the United States and Canada food supply was never a problem.

This state of affairs did not apply to other countries, either in the industrialized or less-developed world, where the effects of disruption to the production and distribution of food had massive and horrific effects.

The siege of Leningrad, which lasted for some 900 days, resulted in a shortage of food such as no other industrialized city has ever experienced. More than half the population is thought to have perished from hunger. Equally, we tend to forget that the last winter of the Second World War led to such shortages of food in The Netherlands that only a few months before the liberation there was doubt whether the Dutch population could survive at all. Starvation was also rife in Rome during the dreadful last winter before liberation.

Even these events pale beside the great Bengal famine of 1942, which arose out of the disruption to supplies of food from countries farther east, notably Thailand and Burma, as a direct consequence of the global conflict. Twenty million people are supposed to have perished from hunger in Bengal. Nearly the same total died in the Soviet Union as a result of direct enemy action, yet the devastation in Bengal is barely remembered outside the Indian subcontinent.

During this century methods of agricultural production in the industrialized world have been

changing rapidly, largely because of a substantial increase in mechanized methods. Whereas the horse was once the major means of power and transport, we are now dependent on the tractor, which in turn depends on oil. In Britain alone this has released almost 10 million acres of land previously used to produce food for horses to produce food for people.

The genetic potential of crops has also increased, the application of appropriate levels of fertilizers and pesticides has become routine and the cultivation of land and harvesting of crops takes place at the optimum time because of new machinery. Yields of the important staple grains are now virtually independent of the vagaries of climate.

Livestock production has undergone a similar revolution. Cattle, pigs and poultry are now housed in heated and ventilated buildings with piped water and mechanized feeding. Vastly improved methods of hygiene, together with vaccines and medicines, control the most significant disease problems. Automated manure disposal, machine milking and automatic egg collection contribute to the low levels of labour required for livestock husbandry. All these systems depend on regular, uninterrupted supplies of electricity, liquid fuel and gas, and water.

While these changes have been taking place, a revolution has occurred in food distribution. Whereas distribution was once based around local markets and small, independent shops selling fresh produce, we now have a complex chain of food processing organizations, transferring farm

produce from the countryside to a largely urban population. Food processing and distribution have become complex activities, heavily dependent on techniques such as pasteurization, freezing, freeze-drying and the application of chemical additives for preservation.

However, the effect of these changes has been to increase sharply the vulnerability of the food production supply chain. There are three critically essential inputs to the modern agricultural system: fossil fuels, electricity and water. A disruption to the availability of any, even for a few days, would have serious consequences. There are just not enough people available to milk cows by hand. Equally, if the electricity fails there will be no way to save the bulk of the milk produced. In the absence of water and ventilation, poultry in battery cages and broiler houses would have to be killed. Without fossil fuels it would become extremely difficult to distribute food.

The short-term consequences of any disruption to the system would be noticeable in towns and cities within weeks. We would soon see a sharp reduction in supplies of frozen foods, milk and eggs. While the staple foods such as grain and potatoes would not be so quickly affected the consequences of disruption for more than six months would be severe. As a conventional war dragged on, the availability of liquid fuels and machinery spares would become even more restricted, with inevitable consequences.

Though Britain managed to survive on a minimal diet during the Second World War this was mainly because a relatively large supply of

food and machinery reached this country from the United States and Canada. Of course, 40 years on, British agriculture has become more efficient and has a greatly increased output. However, modern warfare is also vastly more precise than it was 40 years ago. Even if we totally ignore the nuclear dimension, well-directed attacks on power stations, water treatment plants, spare parts depots and fertilizer factories could completely disrupt our agricultural system, reducing production by perhaps four-fifths. The same would apply elsewhere in the industrialized world. The action of an enemy need not be directed even to food production centres, because power stations, distribution and transport networks and fuel depots would be natural targets in any conflict.

One should not ignore the possible effects of such a breakdown in the food distribution system on ordered behaviour. The possibility of a situation arising in which food was available only to a limited or to a selected part of the population would lead to wide-scale civil disorder. One may equally imagine the effects of hunger on a nation which possesses nuclear weapons but does not wish to use them. If the inhabitants of Leningrad had known of such a major weapon they would eventually have used it, no matter how greatly this offended their moral principles. Hunger is a powerful force.

So, important as it is that the nuclear debate continues, the aim of any national policy of national security must not confine itself to avoiding nuclear war or suggest that conventional war is in any way acceptable; it must concentrate on the overriding need to avoid all forms of war.

Sir Hermann Bondi, previously Chief Scientific Adviser to the Ministry of Defence, and Dr Bowman, previously Director of the Centre for Agricultural Strategy, are now chairman and secretary of the Natural Environment Research Council. Jonathan Bates is a freelance writer.

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George Walden

## Why we must not desert Belize

In March 1981 I drank a glass or two of champagne in No 1 Carlton Gardens after the negotiation of an outline agreement on the long-standing dispute between Belize and Guatemala. The champagne was a bit sweet, the hour a bit early and the celebration premature. The agreement was later turned down by Guatemala's leaders.

Today, the problems arising from the Guatemalan claim to the whole territory of Belize are still there. So are the British troops and Harriers "for an appropriate period". But Belize is still there, too, and by Central American standards thriving. Two questions remain: where is it, and why are we still there?

Churchill once said that he did not know where Guatemala (or presumably Belize) was and he was not going to start finding out so late in public life. In fact Belize sits facing Cuba on the Atlantic coast just below Mexico, its frontier with Guatemala suspiciously squared off. It is not seething with subversion, but a stable democracy with unarmed policemen.

George Price, the Prime Minister and leader of the main political party, the People's United Party, is something of an ascetic. A devout Catholic, he drives an old Land Rover, works hard, and is untainted by corruption. His quiet, serious manner is effective internationally. The economy, based on sugar, fruit, fishing and forestry, has been buffeted by the recession, but has held up reasonably well with aid from Britain, the US, Canada and Mexico. The population is tiny: 150,000.

My fellow champagne drinkers on the Belize side were ethnically variegated. The country is an example of successful miscegenation, with Carib Indians, Hispanics, descendants of black slaves and now some Asians living together with little difficulty. Price himself has Welsh and African ancestors. The country is equally colourful. It is mostly jungle, with village names like "Double Headed Cabbage" and "Banana Bank", huge tarantulas, frogs that jump at you (spring chickens), parrots and Booby birds. The Victorians made furniture from its mahogany, and the Americans chewing gum from its sapodilla trees.

The dispute with Guatemala revolves around an obscure quarrel about a road. The 1859 treaty by which the Guatemalans recognized the frontiers of Belize (then British Honduras) spoke of linking Guatemala City to the Atlantic coast. The British showed willing, but in the end the treaty was denounced by the Guatemalans, who decided to claim the whole of Belize instead. The claim was written into their constitution in 1946, thereby engaging national pride (another reason for not having consultations).

There seems no reason for Mr Price to save this side by dismembering his country, especially in the run-up to next year's election, which will be the first since independence in 1981. The British case has been frequently supported by the United Nations Organization, which has now also endorsed Belize's right to independence, self-determination and territorial integrity.

In 1981, the question facing the British Government was whether, after 18 years of sporadic negotiations, to continue delaying Belizean independence because of the Guatemalan claim. It was rightly decided to call their bluff, unless a settlement could be reached first.

The abortive "heads of agreement" signed at Carlton Gardens was at once an ingenious and practical affair (Nicholas Ridley led the British team). The Belizeans were strongly against any territorial concessions: so the agreement revolved around some small bits of periodically submerged sand off the coast which Mr Price was taken to see in a British plane.

There was a bit of huffing and puffing from President Lucas Garcia when we went ahead with independence later in 1981, and Belize has lived in the shadow of the claim ever since. But the threat should not be exaggerated. Belize has the moral support of the UN and Latin America, and is recognized by most of European and Third World countries. It is also a member of the Commonwealth, the World Bank, the IMF and Caricom (the Caribbean Community), which has pledged full diplomatic support for its integrity.

Nor is the military situation too precarious. The British garrison (bolstered by training teams) is small, but highly professional and well equipped. The Guatemalans have their hands full with subversion and coups, and any attempt to divert attention from internal problems by lunging at Belize would also divert troops from anti-guerrilla duties. The new President, Mejia Victores, a professional soldier like his predecessor, will presumably be aware of this factor.

But it is not a happy situation for Britain. We do not like having troops in an independent country in a volatile part of the world, and in a situation not totally under our control. What if the Guatemalan guerrillas war overflew, as in El Salvador, with refugees, close pursuit and the rest? Moreover the cost of the garrison, though not remotely comparable to that of the Falklands, represents an unwelcome charge on our forces and on the Treasury. All this argues for getting out as soon as some agreement with the Guatemalans or regional security arrangements can be negotiated. There is another way to look at the problem. It is no secret that a discreet British presence in the combustible Central American area is comforting to Washington in these uncertain times. We cannot and should not become involved in the wars of the region. But we can, and perhaps should, avoid any precipitate movement out of Belize which might add to Washington's headaches. Seen in this light, our presence is an honourable and cost-effective contribution to our ally's search for stability in an area of crucial security interest to it.

And such is international morality that many of those who accused us of staying too long in our own territory in the South Atlantic would be the first to criticize us for moving too soon out of somebody else's.

The author, Conservative MP for Buckingham, was formerly Lord Carrington's private secretary.

Philip Howard

## Dog-knobbler days with the beagles

When August with his driving rain has washed away the heatwave of July, then good hacks long to go on holiday. They have unchained us from our typewriters at the word-factory and we have scattered around the nooks and crannies of the world, blinking a little in the sunlight like canaries escaping from our gilded cages.

The place to go on holiday is somewhere quite different, where people know nothing and care less about the *sturm und drang* of daily journalism, where the phone rings only for talk about country matters, and where the most exciting event of the week is the price of black-faced sheep at the market.

Such a place is darkest Ayrshire, which has been mercifully untouched by history since our rude forefathers of the Stone Age built their circular huts on the damp and barren hills. Agricola's legions passed through and left not a Roman rucksack behind them. There have been convicts and other little disturbances of life, but the locals were, as usual, too busy killing deer to pay much attention.

That was a use of deer in its original meaning of an animal of any sort: of Shakespeare's "rats and mice and such small deer" where he was not being facetious or cute. The German counterpart of the word, *Tier*, has retained its original meaning of any old animal, as in *Tiergarten*, an animal garden or zoo. In Scottish and English the word has changed its meaning to signify one kind of animal only, the kind with antlers that our Notting Hill beagles chase through the bracken. Diana only knows what they will do if they ever catch up with one.

Up here in Ayrshire the locals are still busy slaughtering animals of all kinds, minding their own business, and letting the rest of the world go by. Not a ripple of the troubles of Central America or the tedious contest for the leadership of the Labour Party disturbs the even tenor of the columns of the local newspaper, which are full of television and football candy floss, and pictures of brides with grooms in kilts and mothers with bonny babies, and the bard stuff of fatstock prices.

The estimation of journalism as a way of earning a living has not

moved on much since Sir Walter Scott was asked for advice by John Gibson Lockhart, who had been invited to edit a proposed new Tory newspaper: "Your connection with any newspaper would be disgrace and degradation. I would rather sell gin to poor people and poison them that way. Besides no gentleman can ever do that sort of thing by halves. He must while he retains a rag of shirt to cover his nakedness, be inferior to the bronzed, mother-naked, thorough-going gentleman of the press."

Quite so. It is a good place for the hack on holiday, especially any hack in danger of the occupational vice of taking himself and his trade too seriously. It is a grand year up here, as usual, for the wild raspberries and after the first few days you no longer notice the nettles stings and thistle scratches as you pick them. Pass me that shaggy orange fly, improbably called a dog-knobbler, which the local poacher swears has had to be banned down the south because it is too attractive and unfair on the fish.

Fortunately, it does not seem to have that lethal effect on canny Ayrshire trout. Angling may be said to be so like mathematics that it can never be fully learnt, or indeed even partially learnt by some of us. But there is satisfaction and relaxation in sitting all afternoon in a boat on the loch, untroubled by the almost inextinguishable knot that an imprudently cast fly can tie itself into in the twinkling of an eye.

Of course you need some good solid books as well for a rainy day. I have lugged up north the very solid four-volume history of *The Times* for our bicentennial preparation, and for light reading and frivolity have discovered in an attic the ninth edition of the *Encyclopaedia Britannica*. We are grooming fat animals for the agricultural show, the big event of the year. There is a plague of rabbits, which have survived myxomatosis, snares, frequent eggs dosed with strychnine, and beagles. There is a plague of midges. So what else is new?

In short, life in darkest Ayrshire rolls peacefully on much as it has since the Stone Age. Dynasties pass. Fleet Street may be in an uproar. Up here, we have more important things to fuss about.



Hawking on horseback: a seventeenth-century engraving

Few species of falcon can take grouse consistently or well. The Italian count hunts with a gyrfalcon, a six-year-old female bird of a large and beautiful Arctic species with plumage the colour of birch bark and lichen. In the medieval pecking order, gyrfalcons were assigned to no one below the rank of king; in a show of conspicuous oneness, Genghis Khan hunted with 20 of them from a palanquin borne on the backs of four elephants. Nowadays, most grouse-hawkers use peregrines – only fit for a prince according to the fifteenth-century *Boke of St Albans*, but universally recognized as possessing the ideal combination of speed, stamina and tractability.

One of the best peregrines that will be taking the field this year is Melody, a six-year-old female bird that was taken as a nestling – or, in falconer's parlance, an interbreed cyass falcon. In fact, there is no term in falconry adequately to describe Melody's ancestry, for she was hatched in captivity from an artificially inseminated egg. With a virtual ban on taking wild peregrines since the population crash of the 1960s, most falconers this season will be flying birds bred in captivity by methods developed at Cornell University.

If Melody is flown today, she will be taken from her mews in the morning and offered a bath, since a falcon that is flown without bathing is likely to rake away in search of water. When she has bathed she will preen – a lengthy process carried out as meticulously as the servicing of a jet fighter. Sometime during the morning she will probably cast up a pellet of undigested feathers and bones from her last meal, and after

that she will be noticeably keener – eyeing birds invisible to the human eye and grabbing flies out of the air like a purgifier testing his reflexes. About noon she will be placed on a set of scales to see if she is at her ideal flying weight; too heavy and she will fly half-heartedly, too light and she will lack the power to get on terms with her quarry. For her journey to the moor she will be fitted with hood and jesses cut to patterns that have hardly changed since the days of the Holy Roman Emperor Frederick II; then she will be equipped with a microchip radio transmitter weighing next to nothing yet capable of emitting signals audible up to nine miles away. She will travel to the moor with two English pointers.

There is a good chance that Melody will not kill a grouse today, but her condition will harden with each day that she flies, until by the end of the season she will be able to cut through a gale like a knife and kill a grouse stone dead from her first stoop. Last year she took 20 brace of grouse in six weeks. By shooting standards that is a pathetically poor return, but then – clichéd as the sentiment may be – it is not the bag that counts.

If Melody performs as well as she did on her final flight last season, her owner will be more than compensated for his investment of time and effort. The fruitless days with recalcitrant dogs, the weary searches for a lost hawk. On a gold and mauve evening last October, the two pointers quartered the moor, distantly acknowledging each other as they passed. The ground-eating lope was abruptly checked as both dogs froze on point, trembling as if a

current were being passed through their bodies.

Melody was unhooded, but she showed no hurry to fly. She roused and bobbed her head, then, as a breeze caught her, relaxed her grip on the gawdail and was airborne. She clipped over the dogs' heads and began mounting in wide circles, occasionally looking down to check on the position of the field. At 400 feet she made a narrow turn and rested on the wind, indicating that she would climb no higher.

For a few seconds the falconer contemplated the scene he had orchestrated. In the stillness before the grouse is flushed, there is a tangible sense of communion between the falconer, the dogs standing rigidly on point and the tiny silhouette drawn taut as a bow against the sky.

The grouse burst out of the heather, Melody turned over and drew in her wings, falling like a teardrop and parting the air with a sound like tearing paper. There was no sense of violent contact – just a puff of feathers and a dark shape tumbling to the ground. Melody was already plucking the grouse by the time the falconer reached the spot where it had fallen.

Today there will be a race to set the first grouse of the season on some select West End table. If Melody does kill on her first outing, her falconer will not only take vicarious pride in her achievement, but can sit down to eat without having to worry about damaging his teeth on lead shot.

Windsor Chorlton

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هكذا من الأصل





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## FEUDS IN THE CHOUF

The release of the three kidnapped members of the Lebanese government, though a relief in itself, has certainly not resolved the crisis in the Chouf, that beautiful and fertile area of Mount Lebanon south-east of Beirut in which is concentrated the greater part of the country's Druze population.

Kidnapping cabinet ministers may seem an excessively violent and dramatic way to make a political point. Even in Lebanon, such methods cannot be condoned. But this latest act of force was not sudden or unprovoked. It merely marked a small escalation in a conflict that has been going on for over a year.

Some would say for over a century. The conflict between Druze and Maronites, the two historic communities of Mount Lebanon, goes back to the mid nineteenth century, when the Maronite peasantry of the mountain rose in revolt against the feudal sheikhs, most of whom were Druze. In the course of this *jacquerie* massacres occurred, the worst being carried out against the Maronites by Druze sheikhs and their partisans. French intervention then led to the disappearance of the old Emirate of Lebanon with its feudal order and the creation of a more centralised government under a Christian (but non-Lebanese) governor. Many Druzes emigrated to Syria, leaving the Maronites a clear majority.

The remaining Druzes continue to feel they have at least as good a right as the Maronites to regard themselves as the founders and guardians of Lebanese identity, whereas the other communities - Sunni and Shia Muslims, Melchite Christians - have tended to direct their loyalty towards foci outside Lebanon's frontiers: many, indeed, were only brought within those frontiers by their extension under the French mandate to form the Etat du Grand-Liban.

Regarding each other as authentically Lebanese, Maronite and Druze coexisted fairly successfully until the civil war of

1975 found them on opposite sides, partly because the outstanding Druze leader Kamal Jumblatt found his ambitions frustrated in a political system which gave the dominant role to the Maronites and the secondary one to Sunni Muslims. Jumblatt, a curious mixture of feudal landlord, social democrat, mystic and third-world liberationist, made himself the leader of the Lebanese "left" and formed an alliance with the Palestinian resistance movement in the hope of breaking this confessional system. In the process he antagonized his Maronite compatriots, including those (notably the Phalangists) who shared his ideal of a modernized non-confessional Lebanon but could not stomach his Palestinian allies.

Ironically, it was not Maronite resistance but Syrian intervention that deprived Jumblatt of his victory. In fact there was no serious fighting between Maronite and Druze in the Chouf until after Israeli forces occupied the area last year. The Phalangists, at that time allied to Israel, seized the opportunity to send troops into the area, and the Israeli unwisely allowed them to do so. The Phalange was a new element in the Chouf, whose Maronite inhabitants had traditionally been supporters of former President Camille Chamoun; and, by most accounts, the Phalangist interlopers behaved with no great tact.

Their attitude was that of the new masters of Lebanon, rather than of people seeking to heal the wounds of civil war and build a new national unity - a unity for which there were then some genuine prospects, since most Druzes and Muslims had come to share their antipathy towards the Palestinians. They insulted Emir Majid Arslan, the aged rival of the Jumblatts, and treated all armed Druzes, of whatever political persuasion, as "communists". Inevitably, a series of armed clashes began.

Many Lebanese believe that this conflict has been deliberately fomented by the Israelis on

the principle of divide and rule. That may be an oversimplification. It is probable that the Israelis initially intended to help their Phalangist allies whom, during the lifetime of Bashir Gemayel, they saw as the nucleus of a new and friendly Lebanon. Later their relations with the Phalangists worsened. In recent weeks the Israelis have been allowing the Druzes to obtain heavy weapons, and have given up any attempt to prevent shelling by either side. It seems probable that they hope to retain some gratitude and co-operation among the Druzes after their own withdrawal from the Chouf.

It appears that the Druzes are thus receiving tacit encouragement from Israel, as well as overt encouragement from Syria, to resist any attempt by President Amin Gemayel to impose his authority in the Chouf by sending in the Lebanese army. The Druzes see President Gemayel as a Phalangist president, and his army - especially under its present commander, General Ibrahim Tannous - as virtually a Phalangist army. Matters are further complicated by the fact that Kamal Jumblatt's role as Druze leader has been inherited by his son Walid, a highly unstable individual who has backed into the arms of that very Syrian regime which is universally held responsible for his father's assassination, and on its instigation has repudiated the legitimacy of President Gemayel because of the Israeli-Lebanese accord.

Lebanon cannot be revived unless the authority of the state and the president are accepted. But equally Lebanon will not be Lebanon if that authority has to be imposed on the Druzes without their consent. In any case, few who know the Chouf will believe that that can be done, and it would be a reckless Multinational Force officer who undertook to help do it. Difficult though it may be, the Druzes' consent must be sought and their aspirations respected.

## THE HOW AND WHY OF THE HOW AND WHY

There are good reasons why successive governments should embark on the reorganization of the five research councils, the autonomous agencies which support research in agriculture, medicine, the natural environment, social science and science in general. For in their own estimation, the councils play a central role in the conduct of non-military research in Britain. Collectively, they spend more than £500 million a year on a great variety of activities.

The objective set for the councils is twofold - to enlarge the body of useful knowledge in fields such as agriculture, medicine and, fashionably, information technology, and to complement the support for scientific research in higher education that is normally provided by the University Grants Committee, in which the Science and Engineering Research Council predominates. The Government's recurring difficulty is that these two functions seem always to be unhappily married.

This no doubt is why Sir Ronald Mason has been asked to conduct a one-man inquiry into the organization of the research councils. Evidence that the system is not functioning as

intended has been accumulating for some time. Only last year, the Advisory Board for the Research Councils, which advises on the division of the science budget among the research councils argued that the dual-support system for university research is breaking down. Part of the reason is that universities are skimping on research support. Meanwhile, doubts have arisen about the clarity of purpose with which the research councils seek to accumulate useful knowledge.

All this implies that the outcome of the last upheaval in the affairs of the research councils, that recommended by Lord Rothschild in 1971, has not worked as intended. The plan then was that the applied research carried out by the research councils should be financed not by the Department of Education and Science but by the ministries most directly concerned, which were to equip themselves for their role as "customers" by appointing chief scientists capable of insisting on value for money from their contractors, the research councils. The experience of the past decade has been disappointing.

Sir Ronald Mason thus has a splendid opportunity. The Roth-

schild reorganization has not produced the upheaval intended but, rather, stasis. Too many research institutes have escaped the close examination of their function that might have been expected. Sir Ronald cannot in the two months allowed him suggest what happens to each of them, but he could usefully suggest some means by which their future is not entirely in the gift of the research councils which created them.

The most serious problem is the Science and Engineering Research Council, intended exclusively for the support of research in higher education. Universities may not be pulling their weight in the dual-support system, but the council itself has become too deeply committed to large central laboratories to be flexible. It is too ready to succumb to fashion (such as that for information technology) and to defend anomalies such as its ownership of nearly a hundred houses in Oxfordshire against the criticisms of the Rayner-unit. Mason needs a way of making this council into the instrument the research community needs most urgently - not just a paymaster but a leader for Britain's splendid but demoralized research.

## THE BULLY OF THE BALTIC

The meeting of Prime Ministers of the Nordic countries which has just occurred in Helsinki resurrected the proposal for a Nordic nuclear-free zone. Promoted by the USSR and its allies since the 1950s, it has had strong advocates in the Nordic countries themselves, particularly in neutral Finland and Sweden. In the NATO members, Norway and Denmark, advocates of the proposal are also to be found. The appeal is emotional rather than logical.

Popular support for a Nordic nuclear-free zone tends to fluctuate with the East-West political climate. Events such as the invasion of Afghanistan, imposition of martial law in Poland, Soviet submarines and bombers violating Scandinavian territory, all make the proposal appear less sensible, while the possible deployment of new US missiles in Western Europe, Soviet counter-threats and general stalemate at the Geneva talks, seem to increase its appeal.

The USSR promotes the concept largely for propaganda purposes in an attempt to present Soviet policy as one of peace. But the possibility, however remote, that NATO could be weakened by banning nuclear weapons from Norway and Denmark even in time of war, is sufficiently attractive to be worth some effort. For NATO countries

the idea suffers from fundamental defects: Soviet superiority in conventional forces would present an even greater threat since NATO's flexibility in responding to aggression would be reduced and the deterrent effect of the alliance damaged. The Nordic countries would still be in danger of nuclear attack because of the range of weapons deployed outside the proposed nuclear-free zone.

Soviet divisions in East Germany are equipped with nuclear weapons, and the Leningrad military district has missiles covering the whole Baltic area. In the Kola Peninsula alone there are dozens of airfields, two major bases for land-based nuclear missiles, and port facilities at Murmansk for nuclear-armed submarines. There seems little possibility that the Kola and Baltic bases of the USSR would be included in any agreement. Appeals circulated clandestinely in Lithuania, Latvia and Estonia asking that the peoples of these Soviet-controlled republics be allowed some say in discussions of the Baltic zone have resulted in KGB persecution of those involved. Swedish suggestions that a nuclear-free zone must include inspection of Soviet submarine bases in the Baltic were greeted with stony silence in Moscow.

When the Finnish President

Mauno Koivisto visited Moscow in June to extend the Soviet-Finnish friendship treaty for a further twenty years, the question of freeing the Baltic Sea from nuclear weapons was discussed. However, the only precise Soviet offer in this direction concerns the removal of six Golf class submarines which are already obsolete and likely to be replaced anyway.

Verification of any agreement would be extremely difficult. The USSR has never acknowledged properly Swedish protests about the repeated violations of Sweden's territorial waters by Soviet submarines and the defiant Soviet reply to the public outcry in 1981 when a submarine ran aground near the Karlskrona naval base ignored the government's concern that it was armed with nuclear weapons. The USSR is the only Baltic country with nuclear bases. The NATO members, Norway and Denmark, do not permit nuclear weapons on their territory in peacetime. Attempts to persuade them to ban NATO allies from bringing such weapons to Scandinavia even in wartime have not been successful, despite the efforts of Soviet diplomacy, communist parties, peace movements and the speeches of the former Finnish President Urho Kekkonen who for decades advocated the nuclear-free zone.

## Places in society for young and old

From the Director of Population Concern

Sir, I refer to your article on the cost of pensions for the elderly in the next century (July 30) in which your correspondent expresses the fear that "a low birthrate means it is likely to be accompanied by a shrinking proportion of the population of working age" and that if the birthrate remains low "the burden of supporting the nation's elderly will be even greater".

There is no serious basis for this fear. Children, as well as old people, have to be supported by people of working age and are just as much of a "burden" on society.

A rough measure of dependency is the ratio of the number of those people of pensionable age and those under the age of 16 to the population of working age. Total dependency is lower for a lower birthrate (given constant death rates for each age group). Even if, as the birthrate falls, the percentage of the elderly increases at first, their numbers can be kept well in advance and planned for accordingly.

On the other hand the financial burden on society of extra children is considerable. Their needs differ from those of the older generation, but they cost no less. Whereas the old incur high costs in pensions, and residential and medical care, the young incur the cost of education and mother-and-child health services.

Bearing in mind that many retired people can still contribute usefully to society, it seems probable that the burden of a dependent child is overall at least as high as that of a retired person.

We should take the long view: once a more or less stable population at a lower size were achieved, the number of old people in the population would also stabilize at a perfectly normal proportion. To conclude that there is a fear of an overwhelming burden of old people is one of the least defensible arguments used to advocate an increase in the birthrate for the United Kingdom.

It should finally be remembered that this argument is deployed in an economic setting in which there have been over a million unemployed since August, 1975, and where overmanning is estimated at several millions. It seems illogical to argue that a fall in the birthrate will not produce enough economically active people in the future when there are not enough jobs for those wanting employment now.

The effect of the continuing fall in the number of children born per family will be to increase the material standard of living of those

children that are born. But even more important, it will greatly increase the non-material standard of living - sometimes referred to as the quality of life.

Yours faithfully,  
ERIC MCGRAW, Director,  
Population Concern,  
231 Tottenham Court Road, W1,  
August 9.

From the Director of Age Concern, England, and others

Sir, As four British members of an international working group brought together by the World Health Organization to prepare material on self-care and health promotion among the elderly, we were encouraged to read Robert Bessell's letter (August 6), with its warning about the destructiveness of describing old people as a burden on the working population.

Putting aside the benefits we all derive from their past endeavours, in peace and war, we also recognize their immense contribution to our present wellbeing in a number of ways.

In many cases they do provide direct economic benefits by their work, and they are all consumers. Those who were made to retire on an arbitrary date cannot then be blamed for leaving the labour force.

The voluntary sector, properly valued by the Government, owes much of its strength to the accumulated skills and sense of continuing responsibility of those in later life.

As it happens, pensioners are the one group who pay twice for any inpatient care they receive in hospital through loss in pension. And, of equal importance, they provide stability in family life in practical ways as carers, as well as the generational links which give us our sense of continuity.

The contribution of older people to the arts, humanities, the professions and politics is generally recognized; but those who are less eminent do much to enrich younger lives as any fortunate grandchild could testify.

Yours etc,  
DAVID HOBMAN (Age Concern, England),  
JOHN HUNTINGTON (Health Education Council),  
SALLY GREENGROSS (International Federation on Ageing),  
KEITH THOMPSON,

World Health Organization, Regional Office for Europe, 5 Schlegelweg,  
DK-2000 Copenhagen,  
Denmark,  
August 6.

considered by the council's Historic Buildings Panel in August last year.

It was agreed that if the cost of reconstruction was to come from the council funds this could only be justified by restoring the barn on a council-owned farm, where it would be widely enjoyed by schoolchildren and others. It is intended that it should form a home for an important collection of farm implements which the council wishes to put on public display.

The council is the Society for the Protection of Ancient Buildings, first advanced by William Morris as its founder. Its manifesto is opposed to unnecessary travel for ancient structures and my panel takes the same view. But this is a case where the SPAB, the Ancient Monuments Society, and the council all considered the journey to be necessary for the future health of the barn. As you rightly say, the Secretary of State for the Environment has already issued the necessary ticket.

Yours sincerely,  
N. HOWARD,  
Members' Lobby,  
The County Hall, SE1,  
August 3.

exact context he made clear.

In conclusion, I have to state that I stand by everything in *A Matter of Trust*. I would, however, point out that there are many different types of Soviet agents, and I have no reason to believe that your father was ever disloyal to his country. The Security Service were, and remain, equally concerned about Soviet "agents of influence".

In my book I described Bernard Floud as having been recruited as a Soviet agent while he was a student at Oxford. I also referred to him as an "associate" of Jennifer Hart. Mrs Hart has recently gone on record to confirm the fact that she had been recruited as a secret member of the Communist Party of Great Britain by Bernard Floud, whom she described as her "controller".

Yours faithfully,  
NIGEL WEST  
310 Fulham Road, SW10,  
August 2.

netting interests whether legal or illegal? The fact that his fisheries division are still unable to advise me of any effective measures taken following replies to their July 1981 Green Paper, in which the dangers of netting to salmon stocks are clearly recognised, is not encouraging.

Yours faithfully,  
E. J. LIPSCOMBE,  
67 Eastdean Avenue,  
Epsom, Surrey.

Not cricket

From Mrs W. T. S. Digby-Seymour  
Sir, The St Louis Cardinals (report, August 8) are not ecclesiastical but ornithological. There is, in the United States, an indigenous bird, a little bigger than a black bird, called the cardinal. He is bright red and his mate is olive green with red trimming.

When my mother-in-law went to America for the first time she was interested to hear my brother say that there was a cardinal in the garden with his wife.

Yours faithfully,  
ROSALIE DIGBY-SEYMOUR,  
8 Ennismore Gardens, SW7.

From Mr E. J. Lipscombe  
Sir, The decline of salmon fishing in Scotland and the fears expressed by Sir Andrew Gilchrist (July 25) and others for its future, have been confirmed this spring when good water levels, following two dry seasons, have failed to produce any improvement.

Those of us who have travelled north for many years to fish the spring run on the Spey or wherever, to the considerable benefit of hoteliers, shopkeepers and their employees as well as owners of fishings, are reluctantly having to admit that it would be foolish to continue expending our substance for the privilege of fishing over virtually non-existent salmon runs, whilst legal and illegal netting is allowed seemingly unhindered to annihilate whole runs of the comparatively few spring fish remaining.

May we hope that the new Minister of State at the Ministry of Agriculture, Fisheries and Food will soon recognise the need for quick and decisive action to combat the depredations of the commercial

## 'Alternative medicine' under scrutiny

From Professor P. N. Campbell

Sir, Although I am not qualified to practise medicine, I found your leading article, "Physicians, heal thyself" (August 10), deeply disturbing. Following as it did three articles on so-called "alternative medicine" ("Spectrum", August 8, 9, 10) I have to conclude that you set out not only to be provocative but also derogatory of the medical profession in this country.

To imply that our teaching in the medical schools is based on the concept that disease is caused by external agents and that "poor diet, lack of exercise, smoking, drinking and stress" are not important contributory factors is simply wrong. Such a phrase as "The hospital-based training of doctors leaves them ill-equipped to deal with psychosocial disorders" suggests that the authors of the articles have little knowledge of the current medical curriculum or awareness of the role of the psychiatrist.

The leading article admitted that the medical world has enormous scientific achievements to its credit, but correctly pointed out that it was not yet possible to treat effectively all diseases. At this point the merits of so-called holistic forms of therapy were promoted and it was suggested that the medical profession repudiates such therapy for dogmatic reasons.

Throughout the article the perfectly sound reasons for so-called repudiation are never mentioned. It is not right that the claims for any therapy should be subjected to scientific analysis even though, at present, we do not understand the rationale for the treatment in scientific terms? It is admitted that few controlled experiments have been held.

Your leading article does not mention the encouragement you will give to the many unscrupulous purveyors of medicines and treatments who are out to make a lot of money from those in ill-health. Perhaps even more insidious than those who are downright swindlers are those who promote "cures" that can "at least do no harm and may do some good".

Experienced physicians do not doubt the impact of the personal outlook of the patient in the progress of disease and admit that there are aspects of the concept of "mind over matter" that are at present beyond our understanding. It is right, therefore, to open these aspects of medicine to general discussion. But to promote uncritically the concept of "alternative medicine" shows that you fail to understand the multidisciplinary approach to medical education which is not rigidly controlled by the medical establishment either here or in China.

## Transport in London

From Mr James Booth

Sir, Mr Taylor (August 4) says that "Presumably the new traffic commissioner will be given the task of encouraging alternative private forms of transport". Having just returned from a stay in Mexico, may I suggest as one of these alternatives a group or collective taxi system, which operates in the two largest and traffic-congested cities - Mexico City and Guadalajara. These taxis run in competition with individual taxis, the bus network and a developing underground train system.

Minibuses would have a set route, hold eight to 10 passengers, pick up and drop people where they wanted along this route and thus provide the convenience and cost to fill the gap in the service provided by our present forms of overground transport.

Yours faithfully,  
JAMES BOOTH,  
Old Bulkeley Coach House,  
Englefield Green,  
Egham, Surrey.

## Nameless JPs

From Mrs Marjorie Jones

Sir, True, jurors are named in open court, as Mr Embrey writes (August 4), but not normally in newspapers and it was on the subject of newspaper publication of the names of JPs that this correspondence started.

Time was when court reports in local papers regularly included the names of the JPs, who were usually well known to the reporters. Nowadays the names will be wanted for publication only when they appear to be part of a news story - about some unusual decision in granting bail, or sentencing, for instance. But newspaper editors have discovered that it can be difficult retrospectively to acquire information about the identity of justices. It appears to be nobody's duty to supply it on demand.

Yours faithfully,  
MARJORIE JONES,  
7 Southview Drive,  
Walton on the Naze,  
Essex.

## A tiger's leap

From Brigadier W. M. T. Magan

Sir, I can confirm from my own experience the statement of the Hon J. W. Best, quoted by his son, Judge G. B. Best, in his letter to *The Times* of August 5, that a tiger can jump 17ft.

Many years ago, in the Indian jungle, I noticed the claw marks of a tiger on a tree trunk. I was so astonished by the height that I took the trouble, together with the Indian shikari who was with me, to measure the distance above the ground. It was marginally over 17ft. We supposed the tiger had been trying to catch a monkey - and it may have succeeded.

I have the honour to be, Sir,  
Your obedient servant,  
W. M. T. MAGAN,  
St Michael's House,  
Peckham Bush,  
Nor Tonbridge,  
Kent  
August 6.

Your message, if taken seriously, will merely encourage "quack" medicine, which will increase the misery of patients by raising false hopes and will channel scarce resources from research which, although not totally successful as yet, has an impressive track record in the conquest of disease.

Yours etc,  
PETER CAMPBELL,  
Courtauld Institute of Biochemistry,  
The Middlesex Hospital,  
Medical School,  
Mortimer Street, W1,  
August 11.

From the Headmaster of Giggleswick School

Sir, Your leader today (August 10) and the recent articles to which it relates are timely. As a biologist by training, a headmaster by profession and a homeopath by satisfied experience, there are two features of contemporary medical practice in this country today which disturb me.

First, is the arrogant reluctance of the medical profession as a whole to admit to the possibility of any value in healing methods for which there is present no satisfactory scientific explanation for their efficacy. This leads to the failure to use, let alone introduce, methods which are well tried in practice and which often succeed where orthodox medicine has no effective cure or satisfactory ameliorative procedure. The ill person is, thus, denied available treatment or is frequently subjected to drugs or unnecessary surgery which may have undesirable side effects.

Second, there has been a growing and alarming practice of admitting people to medical training by selection which relies almost exclusively on the basis of ability in academic scientific knowledge as shown in A-level examinations or their equivalent. The interview seems to be a thing of the past.

Further, many admissions officers are quite happy to admit that they prefer a combination of mathematics, physics and chemistry to combinations which include biology or one of the Humanities subjects. This seems to emphasise a deplorable disregard for the importance of the personality of the potential doctor and his or her interest in living processes and human beings. The fear is that our medical profession shows signs of becoming, by a growing number of glorified mechanics, each with his own narrow speciality, treating parts of bodies rather than whole persons.

Yours faithfully,  
I. D. WATSON,  
Giggleswick School,  
Settle,  
North Yorkshire,  
August 10.

## Luis Buñuel

From Father D. C. Barrett, SJ

Sir, It is a pity that, when you decided to identify your correspondents, you did not include the writers of your obituaries. I am curious to know who was the author of the obituary in today's *Times* (August 1) on the film director, Luis Buñuel, which contained the statement: "His early education by the Jesuits at Saragossa goes a long way towards explaining his fierce anticlericalism".

This is like saying that George Orwell's early education at Eton goes a long way towards explaining his particular brand of social conscience. In itself it goes no way at all, though, given other factors, it may have some influence. Buñuel, in its time Eton has produced famous socialists and the Jesuits have produced famous anti-clericals, among them Voltaire and James Joyce. But the Jesuits are not in the business of producing anti-clericals any more than Eton is in the business of producing socialists. If the contrary were the case, then these two institutions have failed rather badly.

Should you see your way to publishing this letter, may I implore you to restrain your advanced wonderful technical machine from turning Buñuel into Brunel, as it almost did in the obituary ("Brunel"). Buñuel was another kind of engineer, and, to my mind, equally great in his own way.

Yours faithfully,  
D. C. BARRETT,  
University of Warwick,  
Department of Philosophy,  
Coventry.

## A Thames pageant

From Mr John Offen

Sir, Whenever discussion centres on the pleasures of London it is universally agreed that we have never made the best use of the Thames and indeed have architecturally turned our backs on it.

Would it not be an interesting idea to reproduce the superb liveries barges and a royal barge to form some kind of river pageant? It would be of great interest to overseas visitors and make Londoners more aware of this sadly neglected asset.

Yours faithfully,  
JOHN OFFEN,  
De Vere Cottages,  
Kennington, W8,  
August 8.

## Intimations of mortality

From the Reverend Canon R. Robson

Sir, Being one of the last survivors of the old church pensions scheme whereby one third of my income was deducted to provide a pension for my predecessor, may I tell the true story of a ninety-year-old clerical pensioner who wrote to the Ecclesiastical Commissioners for his customary annual application form in order to apply for his pension. They sent him twenty forms!

Yours faithfully,  
R. ROBSON,  
2 Oakburn Court,  
Sheffield,  
August 1.











## Profit-taking stifles rally

RUBBER						
680	46	Barrow Ridge	72	..	5.7	7.9
680	390	Castletide	..	..	20.0	1.2
680	390	Cass Plant	69 1/2	+3	4.5	3.9
120	100	Dorlandsdale	111	..	4.5	3.9
100	102	Highland & Low	101	+4	4.2	3.1
670	120	Raynham	173	..	4.5	3.9
90	36	Majestic	80	..	6.3	5.4
TEA						
578	413	Camellia Inv	578	..	10.6	1.7
100	210	Alford Rosam	363	..	13.8	2.7
100	39	Do 44/47 Carl Field	..	..	13.8	9.9
64	37	Wong Evans Inv	84	..	1.2	1.8
MISCELLANEOUS						
49 1/2	31	East Wot 3.54	123 1/2	..	260	13.8
60	17 1/2	Gr. Nemo Tels	524	..	100	2.7
100	270	Wong Evans	100	..	10.0	12.3
130	74	Nemo Inv	61	..	10.0	12.3
49 1/2	31	Standard Inv	123 1/2	..	260	13.8
UNLISTED SECURITIES						
410	180	Ar. Coll	323	+15	8.8	5.8
100	100	Barrow Ridge	220	+12	..	..
220	110	Castletide	..	..	..	..
100	60	Scarbor. Org	85	..	..	..
100	60	Godwin Wines	85	+6	2.0	2.6
200	400	Gold Realties	..	+6	3.1	1.7
100	100	Wong Evans	100	+10	8.0	10.0
147	100	Metals Pacific	125	..	6.4	6.4
100	100	Metals Pacific	125	..	6.4	6.4
100	140	Alfred Russ	..	..	..	..
200	20	Miles S.S.	100	..	2.0	1.9
200	20	New Court Corp	100	..	2.0	1.9
200	20	Owners Abroad	200	..	0.7	21.0
100	100	Raynham Factory	100	..	1.0	1.0
197	140	Resource Trust	177	+13	..	..
100	120	Scarb. Org	85	+4	2.5	1.7
60	36	V. Resources	80	+1	2.6	3.3

\* See dividend, a 10c oil, a 10c Foreign, a 10c Corrected price, a 10c Interim profit, a 10c Price of movement.  
 \*\* See dividend, a 10c oil, a 10c Foreign, a 10c Corrected price, a 10c Interim profit, a 10c Price of movement.  
 \*\*\* See dividend, a 10c oil, a 10c Foreign, a 10c Corrected price, a 10c Interim profit, a 10c Price of movement.  
 \*\*\*\* See dividend, a 10c oil, a 10c Foreign, a 10c Corrected price, a 10c Interim profit, a 10c Price of movement.  
 \*\*\*\*\* See dividend, a 10c oil, a 10c Foreign, a 10c Corrected price, a 10c Interim profit, a 10c Price of movement.

Dividend and yield exclude a special payment, a Bid company, a Pro-merger figure, a Percentage earnings, a Capital distribution, a Rights, a Scrip or share split, a Free, a Price adjusted for late dealings. ... No significant.

هكذا من الأهل



## Investment and Finance

City Editor  
Anthony Hilton

THE TIMES

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London WC1X 8EZ  
Telephone 01-557 1234

### STOCK EXCHANGES

FT Index 725.9 up 0.5  
FT All Share 456.53  
Bargains 19,348  
Datastream USM Leaders  
Index 100.27 up 1.28  
New York: Dow Jones  
Average (latest) 1174.59  
down 1.39  
Tokyo: Stock Exchange  
Index 557.39 up 2.43  
Hong Kong: Hang Seng  
Index 1040.58 up 10.84  
Amsterdam 150.7 up 2.8  
Sydney: AO Index 563.3 up 3.2  
Frankfurt: Commerzbank  
Index 534.80 up 2.6  
Brussels: General  
Index 128.52 up 1.25  
Paris: CAC Index 131.2 up 1.0  
Zurich: SKA General 293.9 up 0.1

### CURRENCIES

**LONDON CLOSE**  
Sterling \$1.4800 down 20pts  
Index 84.9 down 0.1  
DM 4.0450 up 0.002  
FF 12.1625 up 0.0225  
Yen 364.50 unchanged  
Dollar  
Index 130.5 up 0.5  
DM 2.7325  
**NEW YORK LATEST**  
Sterling \$1.4785  
**INTERNATIONAL**  
ECU 0.56321  
SDR 0.70288

### INTEREST RATES

**Domestic rates:**  
Bank base rate 9%  
Finance houses base rate 10%  
Discount market loans week fixed 9%  
3 month interbank 10-9%  
**Euro-currency rates:**  
3 month dollar 10%  
3 month DM 5%  
3 month FF 15%  
**US rates:**  
Bank prime rate 11.00  
Fed funds 9%  
Treasury long bond 99.5/8-99.3/4  
**ECGD Fixed Rate Sterling**  
Export Finance Scheme IV  
Average reference rate for interest period 6 July to 2 August, 1983 inclusive: 9.989 per cent.

### GOLD

London fixed (per ounce):  
am \$411.15 pm \$411.75  
close \$412.25-413 (E278.75-279) up \$3.25  
New York latest: \$411.75  
Krugerrand (per coin):  
\$425-426.50 (E287-287.50)  
Sovereigns (new):  
\$97-98 (E65.50-66.25)  
\*Excludes VAT

### TODAY

Interim: Alliance Trust, Ault and Wilby, Prestige Group.  
Finals: Owen and Robinson.  
Economic statistics: Retail sales index (July), Tax-price index (July), Usable steel production (July), Index of industrial production (June - Provisional).

### ANNUAL MEETINGS

Annual Meetings: Memory Computer, Berkeley Court Hotel, Lansdowne Road, Dublin 4 (11.00).

● Steel production in the public and private sectors rose by 5 per cent last month compared with an average of 137,300 tonnes a week a year ago. In the first seven months of the year the weekly average was 290,500 tonnes, about 3 per cent down on the same period of last year.

● Plessey has won the contract to install and manage the electronics and communications equipment for the new Falklands airport. This is the first time the Ministry of Defence has let a contract to a commercial company to coordinate the technical work at a military airfield. Plessey results, page 17.

● Mr Jack Gill is to take over secretary of the Export Credits Guarantee Department, when Mr Kenneth Taylor retires next month. He is director of the Department of Industry's Industrial Development Unit and a former secretary of the Monopolies and Mergers Commission.

● A halt was called to dealings in the shares of William Whittingham, the housebuilding and film processing group which is expected today to announce agreed bid terms with one of two companies with which it has been talking. Tarmac is tipped by the stock market as the company concerned.

● Worker-shareholders in the National Freight Consortium, the company sold by the state to its workers last year, are to get their third interim dividend this year.

## Car production lifts GKN: domestic appliances help TI

# Profit increases by big engineering groups boost recovery hopes

By Our Financial Staff

Two of Britain's main engineering companies provided evidence yesterday that they were beginning to recover from recession.

Guest Keen & Nettlefolds, the largest engineering company in the country, reported that increased car production was boosting demand for components, helping the group to turn in half-time pretax profits of £38.1m, compared with £30.5m for the same period last year.

And engineers TI Group showed, in a report of mixed news, that strong consumer demand for domestic appliances helped to produce half-time pretax profits of £6.2m, compared with £3.9m a year earlier and £600,000 in the second half of 1982.

At GKN, Sir Trevor Hol-

Guest Keen & Nettlefolds  
Half-year to 30.6.83  
Pretax profit £38.1m (£30.5m)  
Stated earnings 12.3p (9.4p)  
Turnover £979.5m (£986.8m)  
Net interim dividend 4p (same)  
Share price 179p, down 5p Yield 6.3%  
Dividend payable 9.11.83

sworth, chairman, said that the modest increase in activity which the company was enjoying should be sustained.

The group's figures come after four painful years of recession and after the workforce has been nearly halved since 1979.

A measure of the improved performance was that £28m of the £38m profits were achieved in the second quarter of the year and that the company is

continuing to trade at this improved level.

After the severe downturn in business activity in the second half of 1982, GKN's British activities benefited from a gradual improvement in the economy and from the group's restructuring.

In particular, the automotive components companies benefited from higher British and American car production and improved productivity. But demand from commercial and agricultural vehicle companies remained low.

GKN's formal offer for AE will be sent to shareholders within the next week. Both sides appear confident that the £67m takeover bid will go through despite efforts by brokers Laurence Prust, urging shareholders to reject it.

TI Group  
Half-year to 30.6.83  
Pretax profit £6.2m (£3.9m)  
Stated earnings 5.5p (3.2p)  
Turnover £442.2m (£441.8m)  
Net interim dividend 2.5p (2.5p)  
Share price 160p Yield 6.7%

At TI, domestic appliances were strong, there was a much-reduced loss in cycles and a recent improvement in machine tools. The group is confident that second-half profits will show continued progress.

But TI's shares lost 6p to 160 as the most optimistic forecasters of the group's recovery were disappointed by continuing bad news on the steel tubes side and a dull performance by the specialized engineering division.

Group turnover was virtually unchanged at £442.2m and the

interim dividend is being maintained at 2.5p.

It points out that the first half profit improvement is greater than the figures suggest since these take into account the charging of £700,000 redundancy costs, hitherto treated as extraordinary items.

Trading profits on this basis were unchanged from a year earlier at £14.1m, but interest charges fell to £8.1m against £10.4m in the first half of 1982.

The consumer boom sent group sales of domestic appliances up 50 per cent.

The mixed bag of specialized engineering businesses will benefit in the second half from the recent brightening in machine tool demand.

The big problem remains with steel tubes.

Investors' Notebook, page 14

## British bank delay on Argentine loan

By Peter Wilson-Smith Banking Correspondent

British banks will not go ahead with today's planned signing of the long-delayed \$1,500m (£1,014.5m) loan for Argentina but other banks are being encouraged to go ahead and sign the agreement. It is hoped that British banks will add their signatures later.

One of the main problems behind the delay has been continuing Argentine restrictions on British companies with remitting dividends from Argentina. The British Government is now seeking to check that companies have been able to take money out of the country before giving British banks a signal that it is happy for them to go ahead with their part of the loan.

The Bank of England is understood to be monitoring progress of a number of large British companies, including Rio-Tinto, Zucor and Shell, in trying to take dividends out of Argentina. However, it was unclear last night how much progress had been made.

British banks including the four big clearing banks are due to provide about \$150m of the \$1,500m loan which was originally due to have been signed in May but has been delayed by a succession of problems.

Yesterday Señor Jorge Wehbe, Argentine Economy Minister, was locked in negotiations with international banks in New York.

Señor Wehbe is believed to have told bankers that Argentina had lifted financial sanctions against Britain and was also prepared to waive a sovereign immunity clause in the loan documentation and amend domestic bankruptcy laws as demanded by international banks.

However, the issue of British bank participation is still confused. The big clearing banks in effect extracted a public signal of approval from the Government before agreeing to participate in the Argentine loan because it was such a sensitive issue in the United Kingdom and had received a lot of bad publicity.

They are now likely to be reluctant to go ahead with a signing unless the British Government once again indicates it is happy for them to do so.

There is still some confusion over the extent to which bureaucratic delays rather than political decisions have prevented British companies taking money out of Argentina.



Yamani: heading off price rise

## Saudis raise production targets

By David Young Energy Correspondent

The prospects of stable oil prices throughout the coming winter and possibly until mid-1985 has emerged after the adoption of new price and production targets by Saudi Arabia, Sheikh Ahmed Zaki Yamani, the Saudi oil minister, has headed off price increases demanded by other members of the Organization of Petroleum Exporting Countries by proposing and winning approval for an increase in the present production ceiling of 17.5 million barrels a day at an emergency meeting of Opec ministers at Taif, Saudi Arabia.

Several Opec members had hoped that the Western world's pre-winter stocking would lead to prices rising above the present \$29-a-barrel benchmark.

Faced with domestic balance of payments problems, several members of the Opec ministerial committee had hoped to force an overall increase in current Rotterdam spot-market prices of around \$31.30 a barrel.

However, Sheikh Yamani pre-empted price rise discussions by announcing that Saudi Arabia would step up its oil production above the 5 million barrels a day level agreed at the March Opec meeting.

Saudi output acts as an Opec "swing producer" and can quickly be used to regulate market demand.

## Oils jump as Shell income tops £1.3bn

By Our Energy Correspondent

Shell, the world's second largest oil company, has reported higher-than-expected half-year profits.

Net income in the second quarter, at £521m, was £100m up on stock market expectations.

The Shell profit and improved prospects of oil price stability led to oil shares rising on the London Stock Exchange.

Shell's sales for the half-year were £25.9bn, up from £23.1bn in the previous half-year.

Improved efficiency meant that net income on a replacement cost basis rose to £1.33bn compared with £953m, with increasing North Sea production playing an important role in the profit improvement.

The weakness of sterling also helped Shell in the United States where profits rose by 19 per cent compared with the

previous six months. Tax advantages announced by the Government in connection with North Sea exploration and production also helped.

Current projections indicate that Shell is heading for full-year profits of £2.2bn, much more than brokers' forecasts.

Ultramar, the other oil company reporting yesterday, also had its figures affected by tax changes into the North Sea.

Half-year pretax profits were down from £85.9m last year to £70.1m although after tax the position is changed with profits of £47.7m, compared with £44m.

Losses in Canadian petrol sales are largely to blame for the company's profit performance.

Its North Sea investments are likely to make a more substantial contribution in the second half of the year.

## Pound slips against dollar

Funds flowed into the dollar again yesterday pushing it above DM 2.74, although profit taking trimmed part of its gains.

Sterling also came in for a bout of weakness against the dollar as selling pressure developed pushing the pound as low as \$1.4750. However, it recovered to close only 20 points down against the dollar at

\$1.4800 and continued firm against Continental currencies with its trade-weighted value rising by 0.1 to 84.9.

The dollar closed at DM 2.7325 for a rise of 80 points. The dollar was helped by the decision of the German central bank not to raise domestic interest rates and speculation on today's US money supply

## City Editor's Comment

# Excusing 'spender of last resort'

As the dollar continues to scale new heights against the Deutschmark and the franc, it is hardly surprising that apologists are surfacing in greater numbers to justify this apparently absurd state of affairs.

Even before the Williamsburg summit, Mr Martin Feldstein, chairman of President Reagan's council of economic advisers, praised the inflow of capital into the US from a purely insular point of view. Using other countries' money helped to fuel US growth at lower interest rates or with less inflationary money growth than the budget deficit would otherwise entail.

This was not music to the ears of Europeans who pointed out that they were having to endure higher interest rates in consequence, rates not justified by their own domestic circumstances.

Today, the argument is being put more sensitively. For instance, Mr David Hale, chief economist of Chicago's Kemper Financial Services, argues in the *Wall Street Journal* that the capital inflows into the US, quite apart from being essential to its own recovery, enable the US to act as the world's "spender of last resort".

The illogically strong dollar means that the US can grow fast without the normal exchange rate or balance of payments constraint.

At a time when Third World countries are constrained from strong growth by the debt crisis, others like France by the need to restore sound finance at home and a third group, most notably the UK, by structural problems, "only the US is capable of leading a world economic upturn by recycling billions of dollars of foreign capital through its financial markets and providing \$60bn - \$100bn of external stimulus per

annum through its trade deficit".

This is a sort of free market version of the locomotive theory and is open to the same objections that, as evidenced by American second quarter growth, it can set up an unsustainable or inflationary type of world recovery.

Other countries can object that America's absorption of funds and high interest rates detract as much from others' growth as US imports add.

But such theoretical niceties are really beside the point. The real threat posed by the huge advance of the dollar since 1981 is that it will destabilize world finances. The very fact that America has accidentally adopted the locomotive role is a reminder that capital flows rule the currency roost these days. Capital movements in the major currencies today affect trade patterns more than the other way round - as Britain discovered in 1981.

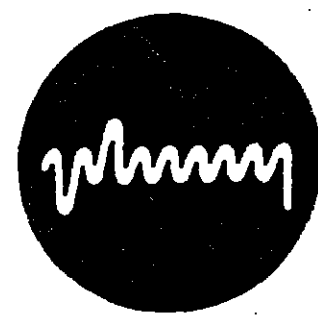
As the apologists concede, the dollar's rise must eventually end if the rest of the world is to take a full part in world recovery and American manufacturers are to avoid intolerable pressure or protectionism. If the dollar then gradually subsided, that might be fine. But that seems a distant hope.

As soon as the trend peters out, it will reverse itself and if recent behaviour in the exchanges is anything to go by it will reverse itself with a vengeance.

If the dollar fell on the same scale as it has risen, it would disrupt the trade of other countries and could cripple American expansion in the absence of huge cuts in US budget deficits. Yet there is little to stop a dollar collapse once it starts. That is why a recovery built on the need for an illogically high and rising dollar is a recovery built on sand.

## FIRST QUARTER RESULTS

# Excellent performance continues



□ Sales up 33%.

□ Pre-tax profit up 21%.

□ Earnings per share up 19%.

□ Orders at record £1.4 billion.

An extract from The Plessey Company's unaudited consolidated results.

	13 weeks ended 1 July 1983 £m	13 weeks ended 2 July 1982 £m
Sales	287.2	215.3
Operating profit	31.2	24.9
Profit before taxation	38.2	31.5
Earnings per share	2.96p	2.46p

**PLESSEY**

The Plessey Company plc, Vicarage Lane, Ilford, Essex IG1 4AQ.

## WALL STREET

### Shares slip in active trading

New York (AP-Dow Jones) - Stocks turned mixed yesterday after giving up their broad early gains in active trading.

The Dow Jones Industrial average was off two points after rising four points in early trading.

International Business Machines was off 1/4 at 117 1/2; American Telephone & Telegraph off 1/4 at 65 1/2; General Motors off 1/4 at 68 1/2; Minnesota Mining & Manufacturing off 1/4 at 76 1/2; Texas Instruments up 1/4 at 107 1/2; NCR up 1/4 at 119 1/2; Dupont up 1/4 at 46 1/2; AMR Corp up 1/4 at 31 1/2; Sears Roebuck up 1/4 at 39 1/2; Eastman Kodak up 1/4 at 68 1/2.

## P&O confirms Sterling

By Our Finance Staff

Mr Jeffrey Sterling was yesterday confirmed as chairman of the Peninsular & Oriental Steam Navigation Company. He replaces Lord Inchcape on November 1, but will start tackling P & O's defence against the £300m takeover bid from Trafalgar House immediately.

Trafalgar is headed by an old adversary, Mr Nigel Brookes. He and Mr Sterling have known each other for years, both emerging into the spotlight from property deals in the early 1970s.

Mr Sterling's own company was caught in the mid-seventies property crash of Town and City which he effectively rescued and has only now pulled back to a point where the self-

confessed workaholic can take on other things.

The P & O job is a major challenge. It is the end of a power battle which leaves the chairman-elect, Mr Ian Denholm, as deputy chairman and Mr Richard Adams as managing director.

Mr Sterling will eventually bring in his own men, Mr Bruce McPhail and Mr Oliver Marriott, both co-founders of the original Sterling Guarantee.

The City widely expects Mr Sterling, aged 48, to inject part of his company into P & O, a move which would incur the wrath of Mr Brookes. He has already said that such changes would cause him to call off the takeover bid.

## Offer-for-sale may come in September

# Early BP shares sell-off likely

By Jonathan Davis

The recent surge in the value of oil shares has increased the likelihood that the Government will launch its £500m sale of British Petroleum shares at the earliest possible moment.

Some brokers and investment institutions now believe the sale will take place as early as next month, although this would mean completing the issue before the recall of Parliament in the last week of October, a move which may provoke protests from Opposition MPs.

BP's shares have risen by more than 10 per cent from 390p to 440p in under three weeks, since Mr Nigel Lawson, the Chancellor, announced on July 25 that the share sale was pending.

A week earlier the Government abandoned at the last minute plans to place a large

chunk of BP shares with City institutions at a price believed to be in the region of 375p. The recent strong advance in oil shares, reinforced again yesterday by Shell's better than expected results, means that the Government is now poised to obtain a better price with its planned offer for sale than it would have done with its placing.

The timing and pricing of large share issues are complex and sensitive political decisions, as last year's Britoil and Amersham International privatization offers demonstrated.

The decision on BP will be taken by the Chancellor in consultation with his merchant broker advisers, the Government and the Bank of England.

So many factors have to be

taken into account in determining the timing of a large issue that, in practice, the choice of dates is extremely limited.

The Government has to take into account not only the company's financial state, but also the availability of institutional funds. There is a strong bias against holiday periods such as August for launching a large issue, while a date too close to Christmas is normally rejected for fear of delays in postal applications.

The most likely time for the BP share sale is between the middle of September and the middle of November, when analysts say most of the conditions will be favourable for oil shares and BP in particular.

Investors' Notebook, page 14



## COMMODITIES

LONDON METAL EXCHANGE		D-MARK		YEN	
Unofficial prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00
Official prices		1000-00	1000-00	1000-00	1000-00

## INVESTORS' NOTEBOOK • edited by Michael Prest

## Oil profits point to steady investment

Ultramar  
Half-year to 30.6.83.  
Pretax profit £70.1m (£85.9m).  
Stated earnings 37.2p (38.5p).  
Turnover £283.5m (£245.3m).  
Net interim dividend 8.0p (5.5p).

Consumers who complain about the excess profits of nationalised industries in the energy sector could turn their attention to private sector profits, particularly as many of them are derived from high fuel prices when demand seems to have been falling.

However, the oil companies argue that many of those consumers are also investors - individually, through pension funds and unit trusts - who will ultimately gain from the rise in prices. They would also gain from the sound capital investment programmes the oil companies have to undertake.

Therefore, as an investment the leading oil companies remain among the most attractive. Steady earnings are inevitable, as the Shell first-half figures, announced yesterday, confirm. The multinational nature of the oil industry also

insulates it from domestic financial crisis.

The corollary is, of course, that global events can have a disproportionate effect on the share price of a company which has a stake in an area affected by local problems. Ultramar is a case in point. At one stage its state-backed competitor in the east Canadian petrol sales sector forced prices down to a ridiculous half-a-cent a gallon (albeit only for a day and only in one highly competitive locality) and it has seen its shipbuilding programme hit by difficulties at the Spanish yard where it is having six 76,000-tonne multi-cargo ships built.

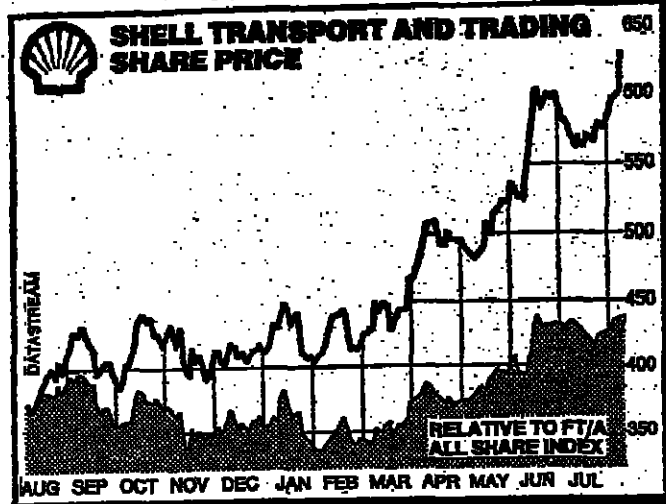
Ultramar's figures show that the company has had a short-term benefit from North Sea taxation changes, a tax benefit from insurance payments on its losses from a fire which affected its Indonesian gas production, and also that it is still on the look out for a company which it can purchase in the oil-related field.

Burmah has been regularly rumoured as a likely candidate for purchase by Ultramar, but would now seem to have been ruled out. Nevertheless, the company is still in an acquisitive mood, by agreement and negotiation but not by takeover.

Shell too is on the look out for new investments. Therefore it seems that when it comes to the auction of the British Gas Corporation's on- and off-shore assets both Shell and Ultramar are well placed to raise their corporate hands in the air - British Gas assets in the North Sea are among the soundest.

## Engineering

In the very effort of producing better interim results GKN and TI, two weathervanes of British engineering, have demonstrated how far they still have to go. Both companies depend heavily on one part of their business, have other parts which earn little or incur a loss,



SHELL TRANSPORT AND TRADING SHARE PRICE

RELATIVE TO FT ALL SHARE INDEX

AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL

and overall continue to make a pitiable return on capital.

None of this should gainsay the progress which has been made, albeit at a high cost, within the constraints of existing expertise. GKN has halved its workforce, written off £150m, and seems to have been involved in every plan to rationalise engineering. TI has suffered commensurately. Both have experienced the cruel disappointment of the downturn in the second half of last year.

The fact remains, however, that £35m of GKN's £54m surplus on trading came from motor components. Industrial supplies, distribution and steels were much the same as in the first half of 1982. If anything, the proposed takeover of AE will reinforce the tendency to have many of its eggs in the same motor basket.

TI is in much the same position. Appliances brought in £10m out of the £14m trading profit, although, to be fair, cycles should turn round into profit this year. But just as GKN has enduring problems with special steels and castings, so TI is struggling with steel tubes, its traditional business. Unless demand from the American oil industry improves

at £54.8m. This was £10m lower than in the same period last year, but the traditionally strong third quarter showed some improvement in return.

A main cause of the fall has been the absence of stock gains although this was partially offset by currency benefits worth about £3m and much higher capitalised interest to reflect the group's substantial capital spending programme.

New graphite plants in Texas and South Carolina begin production soon. But though evidence suggests that American investors are beginning to chase BOC shares, as they did Calx and ICI, the price could be hit in the short term by any bad news on the American economy.

## Grubstaker Inc

Gold fever never wanes, and in the United States a new company is likely to raise the temperature by a few degrees. The delightfully named Grubstaker Inc is planning 2.85m shares at \$3.50 or 230p each to raise finance for the development of an alluvial deposit which it claims contains inferred reserves of 18.5 million ounces of gold.

The site is Weaver Creek, Arizona, long a happy hunting ground for prospectors. Grubstaker, in which the chairman, Mr. Mar. Christopher, of California, holds 60 per cent of the 35m shares, owns 7,000 acres of the valley and is negotiating for more. It says that the average-grade throughout this area, to a depth of 45 feet, is 0.025 ounces per cubic yard.

Since this is an alluvial deposit, from which recovery of the gold is little more than an earthmoving operation, production costs should be low. Grubstaker puts the break-even price at \$120.

Grubstaker is clearly attractive to many bigger companies whose geologists have not been so lucky.

## BOC Group

BOC Group  
Nine months to 30.6.83.  
Pretax profit £24.5m (£24.9m).  
Stated earnings 32.5p (34.9p).  
Turnover £1,224m (£1,157m).  
Share price 150p up 8p. Yield 3.4%.

Hard evidence that the American economic recovery is sustainable has yet to emerge. But the shares of BOC Group, prospects for which are heavily geared to such a recovery, seem to have forgotten that.

Yesterday they were powering ahead again, rising 8p to a new high for the year of 250p after nine month pretax profits much in line with expectations.

## COMPANY NEWS IN BRIEF

<b>Williams Holdings</b> Half-year to 30.6.83. Pretax loss £293,000 (£199,000). Loss per share 9.38p (5.86p). Turnover £11m (£1.6m). Net interim dividend none. Share price 116p unchanged.	<b>Howard Machinery</b> Half-year to 30.6.83. Pretax loss £146,000 (£514,000). Turnover £22m (£22m). Net interim dividend none. Share price 15p up 2p.	<b>AGS Research</b> Year to 30.4.83. Pretax profit £28m (£25m). Stated earnings 12.75p (9.88p). Turnover £63.4m (£40.4m). Net final dividend 4.2p making 7p (6p). Share price 22p up 15p. Yield 3.7%.	<b>Brigand Processes</b> Half-year to 30.6.83. Pretax loss £47,000 (£109,000). Loss per share 0.1p (0.3p). Turnover £258,000 (£494,000). Share price 4.5p up 1p.	<b>Flaming Fledgling Investment Trust</b> Half-year to 21.7.83. Attributed profit £142,000 (£132,000). Stated earnings 1.13p (1.05p). Turnover £251,000 (£231,000). Net interim dividend none. Share price 103p unchanged. Yield 3.1%.	<b>F and C Enterprise Trust</b> Half-year to 30.6.83. Attributable profit £49,000 (£39,000). Stated earnings 0.09p (0.138p). Turnover £198,000 (£226,000). Net interim dividend none.	<b>Devies and Metcalf</b> Half-year to 30.6.83. Pretax profit £714,000 (£223,000). Stated earnings 6.38p (5.5p). Turnover £4.5m (£4.5m). Net interim dividend 0.65p (0.57p). Share price 69p up 2p. Yield 4.4%.
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## Now Lancer Boss talks of merger

By Our Industrial Correspondent

Lancer Boss, the privately-owned Bedfordshire mechanical handling company, has once again confounded the depressed fork lift truck industry by turning in profits of £2.3m for 1982-83.

The company, whose turnover rose by three per cent during the year to £41m, is now one of only a small number of fork lift makers in Europe to be in the black.

The £11,000-a-year chairman, Mr. Neville Bowman-Shaw, revealed yesterday that he was negotiating with a number of European competitors with amalgamation in view. A deal is expected to be concluded with a French or West German company in the next few months.

The company, which claims that its profitability puts it in the top 10 of the world's 250 forklift truck makers, is also seeking to conclude joint ventures in the United States or Japan involving component exchanges or share swapping deals.

## MURRAY NORTHERN INVESTMENT TRUST PLC

MANAGERS: MURRAY JOHNSTONE LIMITED

Results for the year ended 31st May 1983

	1983	1982
Equity shareholders' interest	£39,655,135	£29,190,459
Asset value per share	141.7p	104.3p
Revenue available for ordinary shareholders	£520,986	£565,230
Earnings per ordinary share	1.88p	2.04p
Ordinary dividend per share - interim	0.60p	0.60p
- final	1.40p	1.35p
Capitalisation issue in B ordinary shares	1.41229%	1.86952%

## Investment Policy

The policy is aimed at achieving growth in net asset value through an internationally diversified portfolio which will emphasise smaller markets and companies in which an individual would find it more difficult to invest.

## Highlights from the Chairman's Statement

- \* Net asset value increased 36% to 141.7p per share.
- \* Policy of moving funds to smaller markets continued - in particular investment in Asia and Europe was increased.
- \* The managers believe that European industrial companies are now well placed to compete in world markets, particularly so long as the US dollar remains overvalued. We believe it appropriate to maintain our substantial overall gearing and to have the weight of our investment in South East Asia, Europe and Japan.

## Distribution of assets as a percentage of shareholders' equity

	1983 31st May	1982
<b>Equities</b>		
United Kingdom	24.2	27.6
Switzerland	9.5	6.8
Germany	8.0	3.6
Other European	15.7	7.1
United States	13.6	25.0
Other Americas	1.0	1.6
Japan	24.4	19.4
Australia	6.8	9.5
Other Asian	15.1	2.5
	<b>118.3</b>	<b>103.1</b>
<b>Bonds and Cash</b>		
United Kingdom	1.7	2.1
Germany	-	3.7
United States	2.7	13.1
Japan	15.1	-
Net cash	0.5	9.3
	<b>20.0</b>	<b>28.2</b>
<b>Total assets</b>	<b>138.3</b>	<b>131.3</b>
Less Prior charges at nominal value	<b>(38.3)</b>	<b>(31.3)</b>
	<b>100.0</b>	<b>100.0</b>

Copies of the report may be obtained from the Secretary, Murray Northern Investment Trust PLC, 163 Hope Street, Glasgow G2 2UH.

## NINE MONTHS' RESULTS

Nine months to 30 June (unaudited)	Modified Historical Cost (£ million)		Current Cost (£ million)	
	1983	1982	1983	1982
Turnover	1223.9	1156.7	1223.9	1156.7
Operating Profit	108.3	107.2	105.0	104.4
Realised stock holding gains	-	13.3	-	-
Trading Profit	108.3	120.5	105.0	104.4
Gearing adjustment	-	-	15.6	19.5
Less interest (net)	43.5	45.6	43.5	45.6
Profit before tax	64.8	74.9	77.1	78.3
Less tax	16.0	21.7	16.0	21.7
Less minority interests	10.2	7.3	10.6	7.4
Earnings	38.6	45.9	50.5	49.2
Earnings per share (net basis)	10.29p	13.85p	13.48p	14.84p

The third quarter has seen an improvement from the Group's activities in the United States, particularly in industrial gases. The carbon graphite business operated in profit and the new plants in Texas and South Carolina will be in production shortly, as planned. The health care businesses continue to perform well throughout the world. The Group's welding businesses continued to operate at a loss.

## THE BOC GROUP

The BOC Group is a UK-based international gases, health care, carbon and welding products company. For the full text of this statement, including the condensed balance sheet, write or phone Corporate Communications, The BOC Group plc, Hammersmith House, London W6 9DX. Telephone: 01-748 2020.

## The lost weeks

Your Monday 15th copy of the FT will carry a special supplement giving comprehensive coverage of company results, take-over bids and other city stories that unfolded during the lost weeks between June 1st and August 5th when no FT comment was available.

Major features will include a look at the British economy, reports on world stock and commodity market movements, on how changes in mortgage tax-allowance procedures have boosted life assurance business.

We'll be looking at the more important take-over stories and analysing recent results published by the major clearing banks and mining companies.

Catch up on the lost weeks.

No FT... no comment.



Wayne Lintott looks at the challenges facing Keith Wickenden's successor

# Charting a new course at European Ferries



Ken Siddle: Shy, reflective chain-smoker thrust into the limelight.

Last year European Ferries bought out the minority interests of its American investment, leaving two Canadians, Messrs John Dick and William Pauls, with a potential 20 per cent holding and large salaries. One is over £200,000 a year and rises by 8 per cent per annum.

They were recently made directors. They were not defensive appointments, Mr Siddle says.

And a look through the offer document of that deal shows why. Both men are contractually bound to offer any share sales to European Ferries or to allow it to find a buyer if the company can not afford to acquire them.

They can sell only one million of their 35 million shares a year for the first few years and their rights are tied both to their own performance and that of the group as a whole.

"We have not lost our sense of direction and soon we will be able to show that it is not the case," says Mr Siddle. "There are some internal moves we are putting together. We have the right developments and we intend adding to them, and that includes acquisitions if a company suitably fits our criteria."

The company is obviously still piqued at the Government's veto on a bid for Sealink. "It is illogical not to let us have it. Particularly in view of its inefficiency and large debts (about £70m)." But Mr Siddle refuses to give up trying.

He dismissed the threat of another price war with Sealink in view of its planned privatization.

European Ferries came out of the last war the accepted victor with an increased market share. There is no doubt he feels it would do so again.

He is actively looking at new ships with increased technology that dramatically cut down on manning. Felixstowe Port has proved a success - it is working flat out - but European Ferries is looking at new plans and investments.

Much of the surrounding acreage is owned by Trinity College, Cambridge. So if Felixstowe won its application to become a free port, would it have the space to take advantage?

"Discussions have taken place to make the necessary land available, and it is available. But something like that is as much dependent on luck as judgment," a phrase Mr Siddle uses often.

He remains optimistic about the property side. British trading is now self-financing and the business is looking up in the US thanks to the economic recovery there. But that has not yet manifested in contractual agreements.

The board of directors is now made up of a diverse group. There are two stockbrokers, two Canadian property men, two Norwegian shipping men from an earlier ferry merger, a freight expert, a marine architect and port manager.

"I have no reason to assume they would not back me in a fight," Mr Siddle concludes. "In fact I know they would," he said opening a packet of cigarettes.

## APPOINTMENTS

### Dual role for Croda director

Croda Polymers International: Mr R. A. Staff has become senior polymers director and director responsible for Croda links operations worldwide.

Ultramar: Mr John Du Cane and Mr Ronald Utiger have been appointed non-executive directors. Mr Du Cane is a non-executive director of Amalgam; Mr Utiger is deputy chairman and group managing director of the TI Group.

MY Dart: Mr Charles Bruce has been made group financial director, continuing as company secretary.

S. Pearson and Son: Mr J. H. Hale will take up his appointment as managing director on September 1.

Edmond Holdings: Mr Kenneth Lindsay, former chairman of Croudeau, has joined the board as non-executive deputy chairman. He will also be a part-time consultant to advise on expanding the group's house building.

Ransburg UK: Mr Brian Carter, company secretary, has been appointed general manager.

Mr Mike Hughes, above, head of personnel and staff relations of Anglia Television, has been appointed to the new post of general manager.

Mothercare Group: Mrs Rosemary Good becomes marketing director, Mr Bernard Greenaway operations director, and Mrs Sandra Lewis personnel director.

Electricity Consultative Council (North West): Mr R. D. Wilson has been reappointed chairman.

Espley-Mann: Mr Andrew Satterly has been made managing director.

European Ferries, the group that owns Townsend Thoresen ferries, the port of Felixstowe and the Singer & Friedlander bank, has successfully weathered the immediate turbulence that came after the death last month of former Tory MP Mr Keith Wickenden, its flamboyant 50-year-old chairman. But what is the future for a company so closely identified under Mr Wickenden as the entrepreneurial leading edge of the trend to privatization?

The group, at present capitalised at £200m, was immediately faced with two main questions. Would a predator use the period of uncertainty to mount a bid? And in which direction would a new boss take this, by now conglomerate, company?

European Ferries says it has not received "the faintest whisper" of a bid approach from any source. The two favourites, Trefgar House and Sterling Guarantee Trust, are both preoccupied with Peninsular and Oriental Steam Navigation.

Within three weeks, important policy decisions will be disclosed internally to managers that will show them, at least, the planned future direction of the group.

It would be wrong to mistake the nervousness of Mr Ken Siddle, European Ferries' 47-year-old managing director and Mr Wickenden's successor as chairman, for any form of mental weakness. In his first interview on the business since taking over, Mr Siddle continuously paced his Kent office while chain-smoking.

But the pacing and smoking are more of a reflection of this speed of thought and the pressure placed on a shy man suddenly thrust into a high office.

Mr Siddle's unanimous appointment as chairman by the rest of the board - insiders said that he dealt with talk of introducing an outsider with the curt response "over my dead body" - facilitated a swift transference of power that helped maintain City confidence in the company. He has been managing director for 10 years and has been in day-to-day charge for the last five. He became managing director when Mr Roland Wickenden, Keith's brother, died of heart attack in 1972.

He now runs a company with 7,500 employees and 165,000 shareholders. Unusually for a

public company, the majority, 156,000 are small shareholders who hold just enough shares, 300, to become eligible for concessions on ferry fares.

This is an attractive perk. Some shipping analysts think it effectively adds 30 per cent to the annual dividend and means that once every four years shareholders can transport their car and family across the Channel free.

The company's business is concentrated into four trading areas: ferries, ports, property and banking. Over the last five years turnover has doubled to almost £300m.

Pretax profits were on course for a similar rise, but tipped sharply in 1981 as a result of a ferry price war with British Rail's Sealink.

Nevertheless, profits were back up to £30.7m last year and analysts expect £35.5m this year and then a sharp rise to £50m next year.

The share price has not performed as well, however. This year shares hit a low of 50p when, even before Mr Wickenden's untimely death, the company would have been more vulnerable to a takeover attack than at present speculatively supported level of 74p.

Shortly after Mr Wickenden's death, the shares touched 80p, when more than a million shares changed hands. There was one steady buyer whose identity has not yet reached the share register. That alone sustains bid hopes.

Mr Siddle makes clear his aversion to a takeover which

would be furiously contested by both the management and, he claims, the workforce.

At any price?

"Well, I am an employee of the shareholders and the work force and obviously if the price was right it would have to be seriously considered." But what would the right price be?

That question fudged the issue suitably. Mr Siddle thinks that the present share price "grossly" undervalues European Ferries. Its 1982 accounts show assets per share at 80p, but there are a number of assets that the directors have not revealed for years.

Taking the work in progress and theoretical valuations of the

property, ports and ships, a ready reckoner figure looks to be 120p a share.

"I would be sorely disappointed at 120p," says Mr Siddle. He would not give the same answer when the figure was raised to 150p.

"Anyway," he added after a momentary pause, "we're worth a hell of a lot more than the Stock Exchange values us."

If a bid were made, then the bidder would have to take account of the cost of those share perks which would be hard to eliminate. Asset sales could be equally hard, given the complex contractual agreements European Ferries has worked out.

Some City murrings have accompanied the group's entry into the American property market in some big moves over the last five years. Critics claim that too much money and time have been spent in the US to the detriment of British operations.

The biggest of these moves two years ago left European Ferries with big holdings in Denver and Atlanta.

The deals have not proved as successful as had been hoped and Mr Siddle admits to being very "unhappy" about the profit performance of the Denver holdings last year. He suggests the group will concentrate on British operations in the future.

SIX MONTHS - 1983

# Ultramar

## POISED FOR GROWTH

Review of Ultramar Group Financial Results and Operations

### Summary of financial results

	First Six Months 1983 £ million	First Six Months 1982 £ million
Turnover	823.9	645.3
Profit on ordinary activities before taxation	70.1	85.9
Net profit	47.7	44.0
Cash flow from operations	60.2	70.9
Capital expenditures	174.0	86.8

### Extracts from the Chairman's Statement:

"Our producing operations in Indonesia, the North Sea and Western Canada did well in the first half of 1983, but the marketing and refining companies in Eastern Canada and the Western United States were disappointing. The U.K. marketing division was profitable in the first half."

"The profit before taxes and the cash flow were lower than those for the first half of last year; however, the net profit was a little higher."

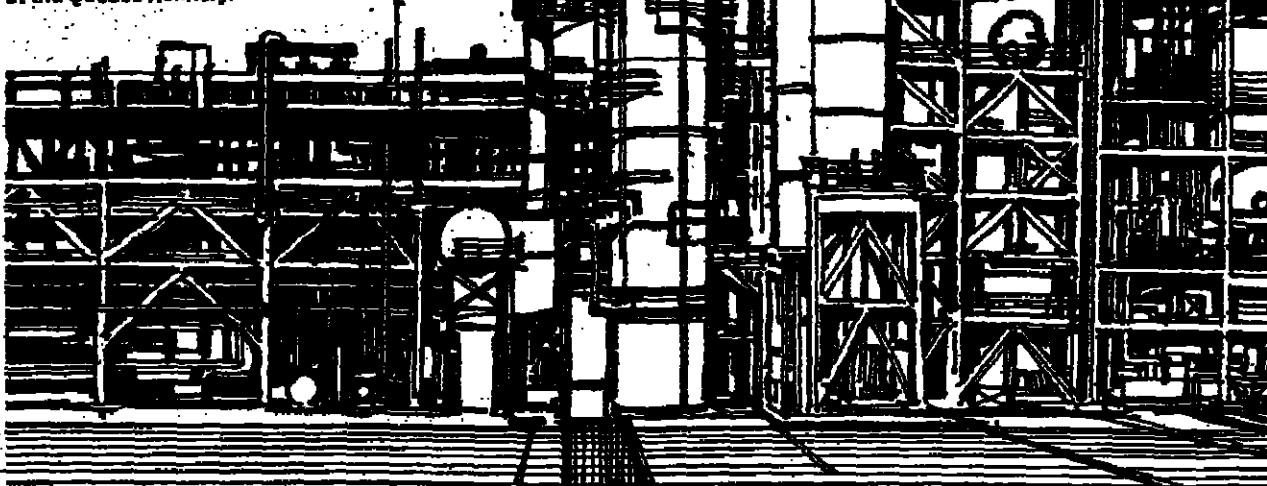
"We have been stressing for the past two years our capital expenditure programme and are glad to be able to report that the upgrading units for the Quebec Refinery are expected to be on stream by the end of August. The Maureen Field, in which we have a 6 per cent interest, is scheduled to come on stream by the end of the third quarter of this year. Most important are the two additional units (trains) which will double the capacity of the LNG Plant in Indonesia. One of the trains is already operational and the other will be producing LNG in the fourth quarter. One of the two original trains, which was damaged by an accident in April, is being repaired and is now expected to be operational by November."

"The Board has declared an increased interim dividend amounting to 6p per share (1982 5½p) on the Ordinary Shares. The dividend will be paid on 14th October 1983 to shareholders on the Register on 25th August 1983."

ARNOLD LORBEER  
Chairman

11th August 1983

The completed Catalytic Cracker at the Quebec Refinery.



Consolidated Profit and Loss Account	First Six Months 1983 £ million	First Six Months 1982 £ million	Year 1982 £ million
Turnover	823.9	645.3	1,513.3
Cost of Sales	715.0	523.2	1,246.1
Gross profit	108.9	122.1	267.2
Distribution costs and administrative expenses	50.0	40.2	93.4
Other operating income	58.9	81.9	173.8
Interest payable	17.1	16.3	34.4
Profit on ordinary activities before taxation	70.1	85.9	185.2
Taxation on profit on ordinary activities	22.5	39.4	79.4
Profit on ordinary activities after taxation	47.6	46.5	105.8
Foreign exchange fluctuations - profit/(loss)	0.1	(2.5)	(1.7)
Net profit	47.7	44.0	104.1
Ordinary Shares dividends 1983 - Interim 6p per share (1982 5½p per share)	8.1	5.9	5.9
1982 - Final 9½p per share	-	-	10.3
Advance Corporation Tax written off	4.8	2.6	3.0
	12.9	8.5	19.2
Earnings retained for the period	538.4	535.5	584.9
Earnings per Share	37.3p	38.9p	91.9p

Principal translation and conversion exchange rates used by the Group are:

	30th June 1983	30th June 1982	31st December 1982
£1 equals US\$	1.53	1.74	1.62
£1 equals Cans	1.88	2.24	1.99

Operating Results	First Six Months 1983	First Six Months 1982
Sales of oil (barrels per day)	196,000	170,500
Oil refined (barrels per day)	76,800	79,000
Oil produced (barrels per day)	8,600	9,200
Gas produced (thousands of cubic feet per day)	131,800	177,900
Gross wells drilled	55	85
Oil and gas wells completed (in which the Group has varying interests)	40	49



# Ultramar

Morgan House, 1 Angel Court  
London EC2R 7AU

For a copy of the full Review of Group Financial Results and Operations for the Six Months to 30th June 1983 please complete and return the coupon to the Company Secretary at the above address.

Name \_\_\_\_\_  
Address \_\_\_\_\_

### FRIENDS' PROVIDENT LIFE OFFICE

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Members is appointed to be held at The Guildhall, 9 Montague Close, London Bridge, London, SE1 9DD on Wednesday 14th September 1983 at 12 noon when the following Resolution will be proposed as a SPECIAL RESOLUTION:

THAT in accordance with Section 13(2) of FRIENDS' PROVIDENT LIFE OFFICE ACT 1975 the Rules of Friends' Provident Life Office be amended as follows: By the deletion from Rule 34 of sub-paragraphs (3)(a) and (b) which read:

(a) In addition to the other requirements of this rule, a person who is not a Friend shall not be eligible for appointment as a director unless there are at least five directors who are Friends;

(b) In this paragraph, "Friend" means a person who is a member of the Religious Society of Friends commonly called Quakers.

AND By the deletion from Rule 48 of provisions (a) and (b) thereof which state:

Provided that:

(a) If the directors who are Friends (as defined in rule 34) are present at the meeting or have previously to the meeting indicated in writing to the chairman or the secretary their vote on the question under consideration and their votes are unanimous and the question under consideration is one that in their unanimous opinion raises issues involving Friends' principles then the decision made shall be in accordance with such votes;

(b) If the directors present at the meeting when a decision is taken by the method described in paragraph (a) of this provision by a majority so resolve a statement of the facts and circumstances concerning the decision shall be made to the next general meeting.

If the foregoing special resolution is passed Rules 34 and 48 will then read as follows:

34. (1) The office of director shall, subject to paragraph (2) hereof, be held only by members.

(2) A person who is not a member may hold the office of director, provided that if he does not become a member within two months of his appointment as director, he shall vacate his office.

48. Questions arising at a meeting of the directors shall be decided by a majority of votes (the chairman of the meeting in the case of an equality of votes to have a second or casting vote).

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not also be a Member of Friends' Provident Life Office. The instrument appointing a proxy, a specimen of which is set out in rule 30 of the Rules of Friends' Provident Life Office, must be deposited at Friends' Provident Life Office, Pixham End, Dorking, Surrey, RH4 1QA, at least four days before the time of the meeting. Proxy forms may be obtained on application to the Secretary.

Members intending to attend and vote personally at the meeting should be prepared to quote their policy number.

By Order of the Directors,  
B.W. SWESTLAND, Secretary.

FRIENDS' PROVIDENT LIFE OFFICE  
Pixham End, Dorking, Surrey, RH4 1QA

### HOWARD MACHINERY PLC

GROUP RESULTS FOR THE HALF YEAR ENDED APRIL 1983

12 Months October 1982	6 Months April 1983	6 Months April 1982
£000	£000	£000
45,832 SALES	21,927	22,009
253 PROFIT (LOSS) BEFORE TAX	(148)	(519)

NOTES:

1. During the first half of this year, the group maintained sales and improved operating performance despite no improvement in world agricultural machinery markets. The reduction in losses was achieved as a consequence of the major reorganisation undertaken over recent years and the market acceptance of new products, particularly within Europe where sales have again increased.

2. In the United States, government grants to encourage farmers to reduce land under cultivation during this year continue to adversely affect demand. In both Australia and South Africa, the drought continued to limit sales over the period. The Australian company has been brought back to a more stable position although the market remains poor and unpredictable in the aftermath of the drought.

3. The group's business is seasonal with the second half year producing better results than the first half. The current year should be no exception to this.

4. Extraordinary costs in respect of the reorganisation in Australia, including the potential loss arising from the granting of an option over 42.1% of the Australian company, are estimated at £1.1 million. It is anticipated that the total of extraordinary costs for the year, including the Australian costs, will be significantly less than last year's charge of £2.3 million.

HOWARD

Oxford House, Oxford Street, Newbury, Berks. RG13 1JB





# Royal Dutch/Shell Group of Companies

## Results for First Half 1983

An interim report by Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, p.l.c. on the results of the Royal Dutch/Shell Group of Companies, in which their interests are 60% and 40% respectively.

Net income of the Royal Dutch/Shell Group of Companies for the second quarter of 1983 was £621 million compared with £380 million in the corresponding period in 1982. Net income for the first half of the year was £1,129 million against £794 million for the first half of 1982. Calculated on the basis of estimated current cost of supplies, second quarter earnings would be £614 million compared with £494 million in the second quarter of 1982. Earnings on this basis for the first half of 1983 would be £1,333 million against £953 million in the same period of 1982 (see explanation below the segment earnings table).

The improvement in second quarter net income, when compared with the same quarter of 1982, arose largely in the oil and gas segment outside North America. The weakness of sterling against most major currencies in comparison with the same period in 1982 had a positive impact on Group sterling results.

Excluding Shell Oil and Shell Canada, and on an estimated current cost of supplies basis, there was a significant increase in the earnings of the exploration and production sector. This increase more than offset the deterioration in the manufacturing, marine and marketing sector, where the continuing intense market competition resulted in an erosion of proceeds exceeding the fall in crude oil and oil products acquisition costs. The chemicals segment reported a small profit compared with a loss a year ago. The metals segment continued to show losses, at a slightly increased level, whilst the coal segment continued to show a small profit. The nuclear sector gave rise to an exceptional loss of £36 million resulting from the write-off of the Barnwell (USA) reprocessing plant. Group net income benefited by £94

million following a re-assessment of certain provisions for taxation made in prior periods.

Shell Oil Company of the United States reported an increase of 3% in dollar earnings. This was amplified by the effect of weaker sterling against the dollar, resulting in the Group share of net income in sterling being 19% higher than a year ago. Shell Canada reported substantially lower dollar results attributable to the oil products segment and higher interest costs.

Capital expenditure and exploration expense at £2,229 million for the first half of the year was 4% below the corresponding period last year. Current assets net of current liabilities (excluding short-term debt, cash and short-term securities) declined in the first half of 1983 by £262 million, due principally to the reduction in inventory volumes and crude oil costs. Over the same period long-term debt increased by £111 million whilst short-term debt decreased by £50 million; cash and short-term securities stood at £5.0 billion after a rise of £945 million over the last six months. The long-term debt ratio remained unchanged at 26%.

Following the March 14 OPEC agreement on production quotas and the new reduced official price structure, spot prices for both crude oil and oil products recovered over the quarter. Along with the improvement in economic indicators in the USA and some other major industrial countries, there are indications that, in aggregate, Free World oil demand trends are no longer falling.

August 11, 1983

### Notes

#### Financial:

1 Accounting policies for the first half 1983 are unchanged from those set out in the Royal Dutch and Shell Transport 1982 Annual Reports (pages 32 and 33).

2 Source and use of funds reflects movements in funds of Group companies as measured in their own currencies, translated into sterling at average rates of exchange for the quarters in question, and therefore excludes currency translation differences.

Under both 'Source and use of funds' and 'Other financial data', long-term debt includes capitalized lease obligations and also the short-term part of each (i.e. that part repayable within one year). Long-term debt in 'Source and use of funds' represents new borrowings net of repayments and currency exchange differences.

3 In the segment earnings table, associated companies' net interest expenses, previously included in individual industry segments, is now included in Corporate Items. 1982 figures have been restated.

4 For illustrative purposes, to establish the division of income between Royal Dutch and Shell Transport, the percentage of net income applicable to them for the year 1982 has been used: Royal Dutch 61.8%, Shell Transport 38.2% (see 1982 Annual Reports, page 37). Notes 2 and 3 to the financial statements of the Royal Dutch/Shell Group of Companies.

Royal Dutch and Shell Transport dollars are translations of the respective underlying dollars or sterling at average rates for the quarters in question.

#### Operational data:

1 The figures shown in these tables represent the totals reported by Group companies (in which there is a majority interest), reflecting their dealings with third parties and with associated companies (in which the interest is 50% or less), natural gas sales, however, include the Group share of these associated companies. Crude oil supply and crude oil processed figures include natural gas liquids.

2 Certain volume figures have been restated as follows:

- Crude oil supply
- Production of crude oil and natural gas liquids from gas fields, previously excluded, is now included.
- Crude oil supply/Oil sales
- Certain royalties taken in kind, previously reported as purchases, are now excluded.
- Natural gas sales
- Sales in the USA now include sales from royalty purchases.

### Statement of income

	Second Quarter		First Half	
	1982	1983	1982	1983
£ million				
<b>Revenues</b>				
Sales proceeds and other operating revenues	13,210	14,661	26,183	29,591
less Sales taxes, excise duties and similar levies	1,936	2,252	3,722	4,338
	11,274	12,409	22,461	25,252
Share of earnings of associated companies	156	134	385	382
Interest and other income	134	133	258	254
	11,564	12,676	23,104	25,888
<b>Costs and expenses</b>				
Purchases and operating expenses	8,483	9,064	16,947	18,630
Selling, general and administrative expenses	840	965	1,612	1,883
Exploration	205	199	372	403
Research and development	72	87	141	175
Depreciation, depletion and amortization	399	508	776	1,045
Currency exchange losses/(gains)	33	39	55	(52)
Interest expense	182	140	347	313
Taxation	896	970	1,926	2,226
Income applicable to minority interests	74	83	134	136
	11,184	12,055	22,310	24,759
<b>Net income for the period</b>	<b>380</b>	<b>621</b>	<b>794</b>	<b>1,129</b>

### Parent Companies' share in Group net income:

		per Ordinary Share			
		1982	1983	1982	1983
Royal Dutch	N.I.L.	4.11	6.20	8.64	10.98
US dollar equivalents	\$	1.56	2.22	3.32	4.01
(based on 268,037,044 shares of N.I.L. 10 outstanding at June 30, 1983)					
Shell Transport	pence	13.13	21.48	27.43	39.06
(based on 1,104,834,414 shares of 25p outstanding at June 30, 1983)					
New York Share equivalents	\$	0.93	1.33	1.99	2.41
(one New York Share = four 25p Shares)					

### Other financial data

	£ million
Cash and short-term securities, June 30	3,303
Long-term debt, June 30	5,017
	6,505
	7,622

### Financial data

	Second Quarter		First Half	
	1982	1983	1982	1983
£ million				
<b>Source and use of funds (see note 2)</b>				
<b>Funds generated</b>				
Net income, including minority share	454	704	928	1,265
Depreciation, depletion and amortization	389	508	776	1,045
Provision for deferred taxation	200	125	410	632
Current assets and current liabilities (excluding short-term debt, cash and short-term securities)	54	375	101	282
Proceeds from sale of assets	58	48	196	97
Dividends of associated companies	9	53	(1)	15
more/(less) than earnings	75	55	121	22
Other	1,249	1,868	2,531	3,398
<b>Funds applied</b>				
Capital expenditure	1,054	1,011	1,957	1,826
Capitalized leases	27	2	29	3
Net investments in associated companies	127	77	193	143
Dividends paid: to Parent Companies	394	425	394	425
to minority interests	32	25	59	57
	1,634	1,540	2,632	2,454
<b>Surplus/(deficit) before financing transactions</b>	<b>(385)</b>	<b>328</b>	<b>(101)</b>	<b>854</b>
Net increase/(decrease) in: Long-term debt	192	(42)	264	111
Short-term debt	150	160	214	(50)
<b>Increase/(decrease) in cash and short-term securities</b>	<b>(43)</b>	<b>446</b>	<b>377</b>	<b>945</b>
<b>Capital expenditure and exploration expense - by industry segment</b>				
<b>Capital expenditure</b>				
Oil and gas: Rights and concessions	65	182	176	236
Exploration and production	448	386	856	781
Manufacturing	211	134	357	259
Marine	7	12	9	16
Marketing	94	118	145	184
Total oil and gas	825	832	1,543	1,476
Chemicals	103	94	178	178
Coal	34	11	73	23
Metals	70	50	127	111
Research	12	18	22	25
Other	10	6	14	13
	1,054	1,011	1,957	1,826
<b>Exploration expense</b>				
Oil and gas	195	193	356	390
Coal	4	1	6	4
Metals	6	5	10	9
	205	199	372	403
<b>Total capital expenditure and exploration expense - by geographical area</b>				
Europe	344	336	617	615
Other Eastern Hemisphere	258	209	479	410
USA	447	485	891	840
Other Western Hemisphere	203	168	333	348
Marine (oil and gas, and coal)	7	12	9	16
	1,259	1,210	2,329	2,229

### Operational data

	Second Quarter		First Half	
	1982	1983	1982	1983
thousand barrels daily				
<b>Crude oil supply</b>				
Europe	707	721	681	746
Africa	460	430	470	381
Middle East	782	681	757	663
Far East and Australasia	306	308	325	296
USA	903	1,004	896	976
Canada	215	203	222	187
Other Western Hemisphere	375	376	382	376
	3,748	3,703	3,683	3,647
<b>Crude oil processed</b>	<b>2,888</b>	<b>2,850</b>	<b>2,952</b>	<b>2,888</b>
<b>Oil sales</b>				
Gasolines	1,461	1,486	1,388	1,426
Kerosines	358	381	379	380
Gas/Diesel oils	953	972	1,013	1,031
Fuel oil	801	729	889	786
Other products	436	455	417	451
Total oil products <sup>†</sup>	4,009	4,023	4,066	4,054
Crude oil	591	616	567	785
Total oil sales	4,600	4,639	4,633	4,819
<sup>†</sup> comprising:				
Europe	1,299	1,321	1,339	1,330
Other Eastern Hemisphere	846	797	869	814
USA	966	935	934	934
Other Western Hemisphere	573	560	576	543
Export sales	325	420	348	433
<b>Natural gas sales</b>				
million cubic feet daily				
Europe	2,152	2,508	3,010	3,287
Other Eastern Hemisphere	539	734	533	680
USA	1,627	1,330	1,643	1,372
Other Western Hemisphere	554	528	627	607
	4,872	5,100	5,813	5,946
<b>Chemicals sales proceeds</b>				
£ million				
Europe	484	565	947	1,114
Other Eastern Hemisphere	88	106	180	211
USA	417	507	850	999
Other Western Hemisphere	85	72	149	142
	1,075	1,250	2,126	2,466

<sup>†</sup> restated for comparative purposes

### Earnings from operations by industry segment

#### Oil and gas

Excluding Shell Oil and Shell Canada, earnings in the second quarter 1983 from oil and gas exploration and production activities at £339 million were 45% above the 1982 level. The improvement was due to increased equity crude oil production, lower exploration expense, higher natural gas sales and the strength of the US dollar against sterling. Net equity crude oil production amounted to 839,000 barrels daily compared with 721,000 barrels daily in the second quarter 1982, reflecting increases in production mainly from Nigeria and the UK North Sea. The Group share of net production in the UK North Sea was 254,000 barrels daily, which was lower than the immediately preceding quarter due to scheduled maintenance. Natural gas sales volumes rose by 20% compared with the second quarter of 1982, due principally to the build-up of Brent gas production (UK), deliveries of Malaysian LNG to Japan and increased sales in the Netherlands.

Shell Oil's oil and gas exploration and production dollar earnings increased by 8% over the corresponding period last year, largely due to increased natural gas prices and lower Windfall Profit Tax. In contrast, crude oil prices were lower and natural gas production decreased by 12%, reflecting weak demand. Shell Canada's earnings in this sector were higher than a year ago, due to higher crude oil and natural gas prices and lower exploration and pre-development expenses.

Excluding Shell Oil and Shell Canada, reported earnings from the manufacturing, marine and marketing sector increased from £83 million in the second quarter 1982 to £134 million in the corresponding period in 1983. On the estimated current cost of supplies basis, however, there was a deterioration with earnings of £125 million in the second quarter 1983 compared with £205 million a year ago. Intense competition in major markets and the negative effect of a strong dollar contributed to a compression of current margins, with proceeds falling faster than average crude oil and oil products acquisition costs, between the second quarters of 1982 and 1983. Total oil products sales volumes remained virtually unchanged.

Shell Oil's underlying oil products earnings improved from \$70 million in the second quarter of 1982 (which excludes \$30 million relating to the sale of the Ciniza refinery) to \$87 million in 1983, as margins improved. Contributing to this improvement was a decline in supply cost exceeding the fall in selling prices, and the impact of higher utilization of refinery conversion units and the introduction of new West Coast facilities. Products sales volumes were unchanged. Shell Canada's oil products earnings declined substantially, reflecting severe price competition.

#### Chemicals

Excluding Shell Oil and Shell Canada, and on an estimated current cost of supplies basis, chemicals showed earnings of £7 million in the second quarter 1983 compared with a loss of £8 million last year, reflecting a slight improvement in profitability in the major European countries. Petrochemicals sales volumes were 14% above the level of the corresponding quarter last year and total proceeds increased by a similar percentage. Although some improvement in margins was achieved by operating cost reductions and improved plant loading, prices for many products remained weak.

Shell Oil's chemicals earnings at \$5 million for the second quarter 1983 were essentially the same as last year, with low demand exerting downward pressure on prices and despite lower feedstock costs and higher sales volumes.

#### Other industry segments

On a Group-wide basis the coal segment reported earnings of £1 million compared with £6 million a year ago. Sales tonnages were higher than in the second quarter 1982, but the impact of very low prices gave rise to trading losses, which were offset by taxation adjustments. The metals segment losses for the second quarter of £23 million, compared with losses of £17 million a year ago, include a write-off attributable to the withdrawal from nickel operations in Australia and reflect the continuing weak market demand, particularly for bauxite/alumina. The improvement in the non-sectored corporate items from a loss of £111 million in 1982 to a loss of £8 million in 1983 largely reflects a re-assessment of certain tax provisions.

	Second Quarter		First Half	
	1982	1983	1982	1983
£ million				
<b>Oil and gas</b>				
Exploration and production:				
Group excluding Shell Oil and Shell Canada	234	339	560	788
Shell Oil and Shell Canada	195	246	401	470
Manufacturing, marine and marketing:				
Group excluding Shell Oil and Shell Canada	63	134	88	158
Shell Oil and Shell Canada	89	45	89	20
Oil and gas earnings	581	764	1,138	1,436
<b>Chemicals</b>				
Group excluding Shell Oil and Shell Canada	(7)	5	(10)	11
Shell Oil and Shell Canada	7	5	16	17
	-	10	6	28
<b>Other industry segments</b>	<b>(16)</b>	<b>(62)</b>	<b>(10)</b>	<b>(93)</b>
<b>Earnings from operations</b>	<b>565</b>	<b>712</b>	<b>1,134</b>	<b>1,371</b>
Corporate Items	(111)	(8)	(206)	(106)
Minority interests	(74)	(83)	(134)	(136)
<b>Net income for the period<sup>†</sup></b>	<b>380</b>	<b>621</b>	<b>794</b>	<b>1,129</b>

<sup>†</sup> restated for comparative purposes (see note 3)

#### Estimated current cost of supplies

Most Shell companies use the first-in first-out (FIFO) method of inventory accounting, as a result of which the cost of sales reflects a mixture of costs incurred before the reporting period and costs incurred during the period. In recent years there have been marked movements in crude oil prices which have made comparisons between periods difficult to convey. A better indication of the underlying business performance is achieved if the cost of sales of the volumes sold in the period is based solely on the average cost of supplies incurred in the same period, and allowance is made for the estimated tax effects. On this estimated current cost of supplies basis, estimated earnings would be as shown below.

	Second Quarter		First Half	
	1982	1983	1982	1983
£ million				
Oil and gas segment	696	755	1,305	1,541
Chemicals segment	(1)	(2)	(2)	27
Earnings on an estimated current cost of supplies basis	494	614	953	1,333

These earnings are more comparable with those of companies using the last-in first-out (LIFO) inventory basis after excluding any inventory drawdown profits.

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